FINANCIAL TIMES

No. 27,003 Thursday June 24 1976 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Ptas.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70

NEWS SUMMARY

GENERAL

Dr. K. cool at Vorster talks

Henry Kissinger, U.S. Secretary of State, yesterday ended two days of talks with John Vorster, South African Prime Minister, in the remote Bavarian resort of Grafenau.

There was an absence of any sign of progress on the future of Southern Africa and the Americans appeared to be going out of their way to avoid any outward show of friendliness. The delegations were even accommodated in villages 25 miles apart.

In South Africa the riot-torn townships around Johannesburg were quiet as Mr. Vorster's Government continued to insist that a gangster element caused the troubles. Page 5

The TUC is to ask Mr. Roy Jenkins, Home Secretary, to change the Race Relations Bill so that advertising in Britain of jobs in South Africa can be stopped. Page 8

Fighting resumes in Beirut

The Egyptian and Syrian Prime Ministers opened talks on Lebanon and Israel with Saudi leaders in Ryadh last night. The Arab peace-keeping troops including Sudanese and Libyans, were reported on their way to Lebanon where factional fighting had resumed in Beirut. Page 5

Plan to recall Parliament

The Government intends to carry through its legislative programme in full even if Parliament has to be recalled in September or October to complete the session's business, Mr. Michael Foot, Leader of the Commons, said yesterday. Back Page

Teacher cutback

Following an official advisory committee's recommendations Mr. Fred Mulley, Education Secretary, yesterday announced a per cent. cut in the intake of people into teacher training by autumn, 1977. Page 16

Provos fined

Leaders of the Provisional IRA movement were fined £30 each in Dublin on charges arising out of last Easter's banned Provisional march. The leaders, who did not recognise the court, failed to appear. They have 28 days in which to pay the fines.

Hotter than Rio

Britain sweltered in tropical temperatures yesterday on the hottest day so far this year—hotter than Honolulu, Hong Kong and Rio de Janeiro. In Norfolk 90 deg. F was recorded. Contingency drought plans are being made by the Government.

Home for Anne

Princess Anne and Capt. Mark Phillips are to live at Gatcombe Park, Gloucestershire, a 730-acre estate which is being bought for them by the Queen. The estate is owned by Lord Butler, the former Tory Cabinet Minister.

Troubled Chelsea

Chelsea Football Club, plagued by debt, has called in a team of London accountants to investigate its books. An informal creditors' meeting has been called for July 2. Back Page. News Analysis Page 8

Briefly . . .

Portugal's Prime Minister and presidential candidate, Admiral Pinheiro de Azevedo, was seriously ill last night after a heart attack. Page 6

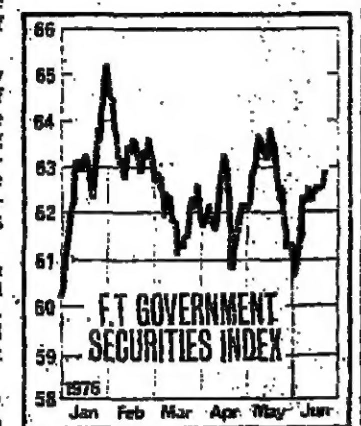
Liberian oil carrier Garden Saturn, 9,000 tons, was aground in the North Sea yesterday, 20 miles north-east of Great Yarmouth, Norfolk.

Mark Cox, Britain's joint No. 1 player was defeated 6—3, 6—4, 6—4 at Wimbledon by Vitas

BUSINESS

Long gilts advance; equities slip 2.5

● GILTS were again active, but demand switched from shorts to long-dated issues. The long "tap" stock closed 3/16 better, while shorts had fractional



losses. The FT Government Securities Index rose 0.11 to 62.89.

● EQUITIES were quiet with only scattered offerings and a lack of support. The FT 30-Share Index slipped 2.5 to 382.3.

● STERLING closed unchanged at $1.7725. The pound's trade-weighted depreciation widened to 39.2 (39.1) per cent.; dollar's widened to 1.85 (1.69) per cent.

● GOLD fell 50 cents to $124.875.

● WALL STREET eased 1.07 to 996.56.

● ISRAEL devalued its currency by 2 per cent., the 13th devaluation in 18 months.

● FRENCH capital gains tax Bill, which provoked a political crisis, was approved on a first reading by the National Assembly. Page 6

Problems arise in oil talks

● TALKS between the Government and BP over State participation in North Sea oil fields appear to have run into difficulties. Back Page. Burmah Oil has sold part of its remaining BP holding for £17.8m. Back Page

● COAL BOARD will invest nearly £300m. in the mining industry this year in the biggest capital expansion programme it has undertaken. Page 7

● FORD U.K.'s engine plant at Dagenham will make engines for the U.S. market version of the new Ford Fiesta. Page 4

● UNION OFFICERS met last night to try to end the Rubery Owen factories' go-slow, which is wrecking Leyland's production plans. Page 8

● JERSEY FABRIC industry, which produces knitted fabric mainly for women's wear, has asked for Government aid to obtain modern machinery. Page 16.

● LEGAL TUSSLE between Rank Xerox and Gestetner has been settled. Rank Xerox, which alleged that Gestetner had infringed patents, has in effect backed down in the U.K., while in France the parties have agreed to differ. Page 8

● MIDLAND BANK director, Mr. Philip Shelbourne, will not serve a further term as a Church Commissioner. The bank was criticised by the Church Commissioners for its loans to South Africa. Men and Matters, Page 18

COMPANIES

● TESCO pre-tax profit rose to a record £25.05m. (£23.25m.) in the year to February 28. Page 21 and Lex

● EMI is paying $23.5m. (£13.5m.) cash for the music publishing division of Columbia Pictures of the U.S. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 12¾% 1995	£92¼	+ ¼
Anglia TV 'A'	114	+ 4
Chesterfield Prop.	137	+ 4
Hambros	189	+ 17
Haslemere Estates	182	+ 6
Hawthorn Leslie	42	+ 3
Berland Paint	34	+ 3
Martin (T.)	61	+ 4
K Electric	78	+ 3
Stewarthill	57	+ 5
Plessey	76	+ 3
Robb Caledon	37	+ 6
Stock Conversion	160	+ 5
Unicorn Inds.	74	+ 4
Warren (J.)	66	+ 8
GI	88	+ 3
SCOT 14% Ln. '81-83	£27½	+ 2
Woodside-Burmah	78	+ 4
Kopeng Cons.	232	+ 7

FALLS

Allied Irish	96	— 3
Assoc. P. Cement	152	— 4
Bank of Ireland	265	— 13
British Sugar	290	— 10
Development Secs.	393	— 4
EMI	234	— 5
Fisons	373	— 7
ICI	357	— 4
Lon. O'Seas Freighters	33½	— 3½
Philips' Lamp	930	— 20
Trident	40	— 3
Tube Invs.	330	— 4
Unilever	460	— 6
Vosper	74	— 3
BP	607	— 11
Shell Transport	432	— 8
Buffelsfontein	840	— 85
Doornfontein	370	— 30
Loraine	106	— 14
Sabina	87	— 8
Western Deep	880	— 95

British yards facing 'tightrope'

Varley calls crisis talks next week on shipbuilding

By JOHN WYLES, SHIPPING CORRESPONDENT

The first step in a bid to secure trade union acquiescence to the contraction of Britain's shipbuilding industry will be taken next Thursday at talks announced yesterday by Mr. Eric Varley, Industry Secretary.

Speaking to the Confederation of Shipbuilding and Engineering Unions annual conference in Torquay, Mr. Varley gave the strongest warning yet issued by the Government of the "tightrope" facing Britain's shipyards.

He stressed the importance of trade union agreement and support for "whatever action is taken." Proposing next Thursday's tripartite talks, involving the British Shipbuilders' organising committee and the Confederation, at which he will take the chair, Mr. Varley said he wanted an urgent examination of the very difficult problems facing the industry as a result of the fall in the scale of orders worldwide.

First indication of the difficulties facing Mr. Varley on the union front came from Mr. Danny McGarvey, president of the Boilermakers Amalgamation, who warned after Mr. Varley's speech: "We are not co-operating in redundancies. To talk about closures in any shape or form will have the opposite of the desired effect."

The Government's hope is that this position can be modified by exposing the unions to some of the increasingly harsh facts of life about shipbuilding which are becoming apparent. On the most pessimistic assesments, world demand for new ships is so low that Britain could not expect to survive with more than 50 per cent. of present shipyard capacity.

But yesterday the Industry Secretary barely lifted the wraps on the detailed calculations and studies which are being made by his department and by the organising committee of British Shipbuilders, the corporation which will run the industry if the nationalisation Bill passes through Parliament.

Stressing that shipbuilding was not witnessing a short-term cyclical recession, but "a major structural change in demand which will last for very many years." Mr. Varley cited in evidence the British yards' dwindling order book.

'Soft option'

He pointed out that in the last 18 months new orders amounted to only 320,000 gross tons, an average of 230,000 gross registered tons a year. This was barely 20 per cent. of the 1.2m. g.r.t. which has been normal annual output by Britain's 70,000 shipyard workers in recent years.

Nationalisation, which needs no defending at the CSEU, would not be a "soft option" warned Mr. Varley. The Government wanted a viable and efficient industry but he emphasised that there were genuine international constraints on its freedom of action.

As an international problem the shipbuilding slump required an international solution and this was being sought within the OECD. While Britain would fight to maintain its share of the shipbuilding market, "we cannot therefore indulge in indiscriminate subsidies or in measures which will make the world situation worse."

This assurance will be welcomed by other shipbuilding countries in OECD and also by shipowners, but it is likely to be strongly tested by the unions. Moreover, some opinion in the shipbuilding industry favours subsidies as a defensive measure against Japanese shipbuilding, whose low prices are scooping the pool of new orders.

A priority subject for the tripartite talks will be future level of British capacity in a world where demand in 1980 may be only one third of the 1974 level and where the Japanese are pledged to maintain their current 50 per cent. market share.

If Britain's share of output remained as now she would, according to this assessment, be producing around 400,000 grt a year with about 25,000 workers.

Editorial comment Page 18

New deal sought on Atlantic flights

BY LORNE BARLING

THE GOVERNMENT is to re-negotiate its 30-year-old air services agreement with the U.S.

The move could profoundly affect the profitability of airlines operating across the North Atlantic.

Mr. Edmund Dell, the Secretary for Trade, told the Commons yesterday that the old Bermuda Agreement had for some time given greater benefits to the U.S. than to the U.K.

"During recent years, there has been a closer approximation to a balance of earnings from the rights to operate services across the North Atlantic.

"But it is clear that a substantial revision of the rights conferred by the agreement is needed in order to achieve a more equitable balance of benefits overall."

The imbalance is understood to be nearly £200m. a year, with British Airways earning about £100m.-£120m. compared with the £300m. a year earned by American carriers, principally Pan American and Trans World Airways.

In the renegotiations, which are expected to last a year, the U.K. will seek to give British Airways a larger slice of the market.

Destinations

The Government is likely to try and reduce the number of U.S. flights visiting Heathrow on their way to Europe and avoid situations where British Airways is competing against two American airlines on one route.

British Airways would also like to fly to a wider range of destinations in the U.S.

It is felt in the U.K. that the agreement, which, when drawn up in 1946, was a model for the rest of the world, is now out of date in many respects and needs renegotiation rather than another revision as happened in 1966.

Mr. Dell said that the U.K. had requested talks about a re-negotiation and, pending the outcome, had served a year's notice from June 22 to terminate the existing agreement.

So far the U.S. response has been favourable and the U.K. is anxious that the move should not be seen, particularly in the U.S., as a threat of retaliation against anti-Concorde action.

Although the negotiations are expected to be conducted in good spirit by both sides, it is clear that some extremely hard bargaining will take place in the protection of airlines interests.

Labour NEC rebuff for social contract

BY RICHARD EVANS, LOBBY EDITOR

THE Labour Party's National Executive Committee yesterday caused acute embarrassment to the Government and to trade union leaders by refusing to endorse the new social contract drawn up as a basis for co-operation between Ministers and the TUC over the next three years.

The document was approved by the TUC-Labour Party liaison committee on Monday and without difficulty by the TUC General Council yesterday. It was to have been published to-day as further evidence of the close co-operation on economic and social policy by the political and industrial wings of the Labour movement.

But the Left-dominated NEC, taking advantage of the absence of several Ministers and moderate trade union representatives, refused to agree the plan in spite of warnings of the possible consequences, and decided by 11 votes to eight to make a number of significant amendments.

The key amendments forced through by the Left wing, none of which will be acceptable to senior Ministers, cover policy on public expenditure, tougher planning agreements with major companies and the reduction of defence expenditure in order to release money to re-equip industry and improve housing and the social services.

The amendment on public spending seeks to delete a sentence in the social contract that: "there will be no scope for any further overall increase (in public expenditure) in real terms." This was inserted last Monday at the specific request of Mr. Callaghan, the Prime Minister and Mr. Denis Healey, the Chancellor of the Exchequer.

Another amendment calls for planning agreements with the top 100 companies on a compulsory, and not as proposed a voluntary, basis.

The difficulty now facing Ministers and TUC leaders is that the liaison committee does not take decisions or vote but comes to a general agreement. The present formula was reached after lengthy and difficult discussion, and in the view of Ministers, there is now little room for further compromise.

Ministers did not believe last night that the crucial document was in danger of destruction, but the whole argument on economic policy in general and cuts in public expenditure in particular has now been reopened.

Hasty attempts were being made last night to convene a special meeting of the liaison committee, which consists of Government, trade union and Labour Party representatives, to

Editorial comment, Page 18
Economic Viewpoint, Page 19
Scanlon warning, Page 8

consider the new situation. The intention is to call a meeting within the next fortnight so that agreement can be reached in good time to have the document endorsed by this year's TUC Congress and the Labour Party conference.

The NEC refusal to give the document blanket approval as expected was taken in spite of the sternest warning from Mr. Tom Bradley, Labour Party chairman, that failure to agree the new social contract could affect the party's chances at the next General Election.

But Mr. Ian Mikardo, the real instigator of the rebellion, spoke out strongly against the NEC adopting a document which the majority had not seen. He protested that the NEC was the policy-making body of the Labour Party, subject to annual conference decisions yet they were being asked to endorse the social contract document.

Mr. Anthony Wedgwood Benn,

Continued on Back Page

Giscard agrees on plan for closer U.K. links

BY ROBERT MAUTHNER

BRITAIN AND FRANCE yesterday agreed on arrangements for closer and more regular high-level political consultations in a move intended to mark the beginning of a new era of co-operation between the two countries and end the mutual suspicion which has marked their relations over the past few years.

The agreement—reached on the basis of an initiative taken by the French President, M. Valery Giscard d'Estaing, who is in London on a state visit—was considered by both sides to be much more than just a formality.

It is intended to complement the close consultations which already exist between France and West Germany and Britain and West Germany and thus establish a better balance between the three most important members of the European Community.

On the French side, in particular, closer relations with Britain are seen in many quarters as providing a counterweight to the power and influence of West Germany, whose relations with France have deteriorated recently.

Under the new consultation arrangements, the French President and the British Prime Minister will meet once a year, alternately in Paris and London, to discuss bilateral relations and problems of common interest—notably those derived from their membership of the European Community.

The first of these meetings is due to take place in Paris in October or November.

The Foreign Ministers of the separate meetings at least once a year and there will be other periodic meetings between Ministers responsible for home affairs, the economy and finance, trade.

The agreement was set out in a short joint declaration which stressed that, as members of the European Community, the two countries now shared the same basic outlook and pursued common objectives. It was reached after more than two hours of talks at Downing Street between Mr. James Callaghan, the Prime Minister, and President Giscard in the presence of other members of the British Government.

Other subjects discussed by President Giscard and Mr. Callaghan at their meeting—described by both sides as "very cordial"—included the European Community's common fisheries policy and direct elections to the European Parliament.

The Prime Minister stressed that Britain's loss of some of its main deep-sea fishing areas meant that the British Government could not at present fully implement the Common Fisheries Policy, because of the serious political difficulties that this would cause. President Giscard did not make any commitment either way on this.

On direct elections to the European Parliament, Mr. Callaghan repeated the British position that Scotland, Wales and Northern Ireland would have to be adequately represented in such a new Parliamentary assembly.

The lunch and talks at Downing Street followed a stirring appeal by the President for closer Anglo-French co-operation and a more effective European role in world affairs in an address to both Houses of Parliament in the Royal Gallery at Westminster.

The President, flanked by the Lord Chancellor and the Speaker of the House of Commons, told more than 500 MPs and Peers that France would like its relations with Britain to be "as active and trusting" as with its original Common Market partners.

M. Giscard, who delivered the first part of his speech in French and then switched to excellent English, also suggested that there was room for much more co-operation in industry and technology.

Before the next high-level Anglo-French meeting, specific areas of advanced technology "with good commercial prospects" should be identified in

Continued on Back Page

ICI borrows £130m. for Ninian Field development

BY MARGARET REID

IMPERIAL Chemical Industries has quickly followed its cash-raising £200m. rights issue by arranging about £130m. of financing, through a syndicate of banks, towards the cost of its share in developing the North Sea Ninian oilfield.

The syndicate, five British banks and five American, co-ordinated by National Westminster and Morgan Guaranty Trust of New York, is making the money available through two seven-year facilities, one for £75m. and the other for $100m. (£56.3m.).

Special arrangements provide that the loans will be repaid, once production starts, from the proceeds of oil deliveries. Interest will be 1¼ per cent. above the London inter-bank offered rate for the first four years and 1½ per cent. above for the remainder.

A unusual feature of the dollar part of the financing deal is that ICI will have the option, throughout the seven-year life of the facility, to raise funds in the commercial paper market in New York as an alternative to drawing from the banks.

In certain circumstances this could be a cheaper method of obtaining the cash, for some or all of the time it is needed. ICI, which is to be advised by investment bankers Goldman Sachs in its use of this option, will have considerable flexibility and be able to fix up its New York commercial bill borrowing at times of its choosing and for periods from a few days up to nine months.

1978 profit

Ratings of A1 and P1, the highest which can be alloted, are expected to be given for ICI's commercial paper borrowing respectively by Standard and Poors and Moodies, the relevant agencies.

ICI is expected to start drawing on the loan facilities very soon. It is also likely, given favourable conditions, to begin raising cash in the New York commercial paper market in August.

The total cost of ICI's share in developing the Ninian field, in which it has an 18 per cent. stake, is estimated at £200m. up to 1979. Some £80m. of this is expected to have been spent by the end of this year. A further financing deal may be arranged next year.

The development programme for Ninian envisages that oil will be flowing ashore by mid-1978 and that repayment of the bank loan will start soon afterwards.

Mr. Frederick Hillebrandt, ICI's finance director, said yesterday that there should be some contribution to his group's profits from Ninian from 1978. He declined to disclose profit estimates, but added: "In the early 1980s there is no doubt there will be quite a big cash flow in the ICI accounts, which will benefit not only ICI but the country generally."

ICI will itself purchase the oil, initially delivered as repayment to special companies handling the loans. It expects the oil will meet some 20-25 per cent. of its feedstock requirements and a large part of its fuel oil needs.

£ in New York

—	June 23	Previous
Spot	$1.7725-1751	$1.7748-7768
1 month	1.35-1.25 dis	1.27-1.20 dis
3 months	3.27-3.20 dis	3.07-3.00 dis
12 months	9.85-9.50 dis	9.60-9.40 dis

FEATURES

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

Scientists probe health risks from glass wool

AN INQUIRY into possible health risks from mineral and glass wools has been launched by British and European scientists.

These wools—likely to play an increasingly important part in insulation and other uses in the wake of the asbestos scare—are to be studied together with their health aspects by the Medical Research Council's pneumoconiosis unit in Cardiff, by the Institute of Occupational Medicine in Edinburgh, and by the International Agency for Cancer Research in Lyons, France.

The research programme is being financed by the two European associations of mineral and glass wool manufacturers.

Dr. John Gilson, director of the pneumoconiosis unit, described the scheme yesterday at a briefing in London. Because, like asbestos, these materials are fibrous, there have been fears that replacing asbestos with them might simply be exchanging one cause of industrial cancer for another.

"There is no known risk of cancer, but manufacturers are going out of their way to make sure this is the real situation," Dr. Gilson said.

The evidence was that there would not be a risk because the diameter of the fibres was about 100 times that of the extremely fine blue asbestos fibres known to cause cancer of the lining of the chest and abdomen.

"It's the diameter of the fibres rather than their length which decides whether they go deep into the lungs."

Glass and mineral wools also had the advantage that they did not shred into thinner fibres under stress.

On the recent asbestos scares, Dr. Gilson discounted suggestions that asbestos ironing boards and other products in the home were a risk to the public. "I do not believe these are an important risk."

Polymer rises 'mean dearer carpets'

BY RHYS DAVID, TEXTILES CORRESPONDENT

A warning that recent increases in the price of polypropylene polymer would be reflected in higher prices for tufted carpet backing and packaging—two important textile end-uses for woven polypropylene—was given yesterday.

The British Polyolefin Textiles Association, representing companies responsible for annual production of more than 200m. square metres of woven fabric, said that polymer prices had increased by 25 per cent. since last October.

The latest increase, recently announced by Shell and ICI and likely to be followed by other producers, is a 15-16 per cent. rise at the end of this month.

Mr. Ken Huskisson, chairman of the association said that the industry, which is based largely on Dundee and in the North of England, had warned the polymer producers of the need to keep polypropylne competitive in price if textile applications were to continue to expand.

April beer production best since 1929

CUSTOMS and Excise statistics issued yesterday confirmed that beer production in April was the best for the month since figures were first compiled in their present form in 1929.

Output was 3.26m. bulk barrels, about 2.05 per cent. up on April last year. There were two fewer working days this year so the jump was really 12 per cent. in the daily rate of production and output was above last year's levels for the first time this year.

This performance helped to redress the very bad results at the beginning of the year. Over the first four months production was only 2.05 per cent. down on January-April last year at 11.5m. barrels.

Borough buys computer

THE LONDON Borough of Hackney has installed an off-line small business computer, a Logabax LX2600, to provide a 24-hour turnround on most of the 35,000 applications it expects each year for rent rebates and allowances.

RACING **BY DOMINIC WIGAN**

Millionaire at Salisbury

THREE PROMISING two-year-old colts in Fair Season, *Millionaire* and Showpiece meet in to-day's six furlongs Champagne Stakes at Salisbury and West Country racegoers should be treated to an interesting and informative race.

My idea of the probable winner is the probable favourite. *Millionaire*, who ran so well when chasing home the more experienced Great Oak in the Guy Fawkes Stakes over this afternoon's trip at York a fortnight ago.

In spite of running green throughout that race, Millionaire, a muscular colt by Mill Reef out of State Pension, the runner-up to Lupe in the 1970 Oaks, went down by only two lengths to the winner, who has since finished a highly creditable second in a hotly contested event at Ascot.

With the benefit of the York run behind him, Millionaire should prove too smart for Showpiece, a fast finishing runner-up to Teddington Park in Sandown's Portsmouth Road Stakes.

Few trainers have their string in better form than John Dunlop and many racegoers are likely to score with his once-raced Gulf Pearl colt *Four Fathoms* in the Southampton Stakes.

This half-brother to that useful handicapper, El Capitan, did well to finish a close fourth behind Tudor Lilt in a competitive event at Lingfield early this month, and I expect him to prove too quick for Sharp, who did not get the best of passages when being beaten into third place in a minor event at Chepstow on May 31.

SALISBURY

2.00—Mr. Higgins
2.45—Four Fathoms
3.15—Millionaire**
3.45—Hill Station
4.15—Vivacissimo***
4.45—Regal Romance

NEWCASTLE

2.30—Catchword
3.00—Raffondo
3.30—Running Jump
4.00—Peter Culter
4.30—Ribarbaro*
5.00—Shangamuzo

A second possible winner for Dunlop and his stable jockey, Ron Hutchinson, who have a particularly good following here, is Dempsey, the top weight, with 9 st. 9 lb, in the Noel Cannon memorial trophy.

However, I intend to by-pass the smart ex-Irish colt and side instead with the lightly weighted *Vivacissimo*, a respectable fourth behind Princely at Windsor on his most recent appearance.

At to-day's other meeting, Newcastle, where, as at Salisbury, it is a Racegoers Club concession day, the best bet of the afternoon seems to be *Ribarbaro*, who made short work of Devil's Dike, to whom he was conceding 2 lb. at Nottingham 10 days ago in spite of sweating up badly in the preliminaries. Michael Stout's charge goes for the Heddon Handicap.

Half an hour later that much improved Klairon three-year-old, *Shangamuzo*, of whom Gavin Hunter has such a high opinion, should have no difficulty in the Stocksfield Stayers' Stakes in spite of the presence of Sanpello.

SALEROOM **BY ANTONY THORNCROFT**

Candelabra fetch £17,600

THERE WERE two good, solid, sales at Christie's yesterday, one of important English silver which totalled £193,457, and another of books, letters and manuscripts which brought in £109,847. Silver and books are strong markets at the moment.

Among the silver, an exceptional price of £16,000 (which with the 10 per cent. buyers' premium added becomes £17,600) was paid by S. J. Phillips for an unusual set of four George III two-light candelabra by John Wakelin and William Taylor, estimated at around a third of that figure.

The same buyer also paid more than expected with another £16,000 bid, for a set of six George I table candlesticks, made in 1718 by Nicholas Clausen and engraved with the royal arms.

Other high prices were £7,200 for an oval cake basket made in 1748 by the celebrated Paul De Lamerie, £7,000 for a pair of Charles II oblong caskets by Ralph Leake, dated 1671; and £7,000 paid by Willson for a Charles II silver gilt tankard of the same year.

There was one disappointment among the books—a French manuscript of around 1465 of "Le Roman de la Rose," with many miniatures, failed to sell despite a bid of £11,000. That apart things went very well, with a first folio edition of Shakespeare beating its forecast at £12,000 (plus the 10 per cent.), and Fleming gave £4,800 for the 1664 third impression.

A German Bible produced at Nuremberg in 1483, with 109 woodcuts, was bought by Eickenberger for £8,500, while a copy of "The Exercise of Arms," with 117 engravings, published in 1608 and presented to Robert Cecil, first Earl of Salisbury, was bought by Colnaghi for £7,200.

Over at Sotheby's, Old Masters were sold for £100,745. A pair of pictures of horses by Johann Georg Pforr, signed and dated Frankfurt, 1788, made £7,200. Another pair by the same artist, pastoral scenes, went for £6,500. A river landscape by Adriaen van Stalbemt fetched £4,400, and Leggatt acquired a religious painting, signed C. Giaquinto, for £3,000.

The most interesting item at Sotheby's Belgravia, a five-foot wide white marble relief by the noted 19th-century sculptor Sir Richard Westmacott, failed to sell, presumably because it was offered by a dealer and was not new to the market.

This apart the auction, Belgravia's first in which clocks and sculptures had been separated from general furniture, went well, with a total of £43,952 and a top price of £1,200 for a late 19th-century French gilt metal and porcelain clock garniture with two urns.

Other salerooms were equally busy. Bonham's got a very good price of £4,600 from Seven Gables bookshop, New York, for a first edition of Sir Isaac Watts' hymns written for children: Spencer's of Retford sold a set of nine 18th-century mahogany dining chairs in the Chippendale style for £3,300; and at Phillips a Mason's ironstone dinner service of 83 pieces in the Chinese style went to Craven for £1,050.

Robson Lowe made £21,787 for stamps. Modern issues rarely fetch the high prices of the classics but a set of St. Helena stamps issued in 1961 and overprinted with the Tristan da Cunba relief fund sold for £330.

Press appeal

A NEWSPAPER was like a woman, Mr. David English, editor of the Daily Mail, told the Commonwealth Press Union in London yesterday. "It is a living thing with a personality. It must be interesting, amusing, provocative and, most of all, it must be a friend."

TV/Radio

+ Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 9.41 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 1.20 p.m. On the Move. 1.30 Fingerbobs. 1.45 News. 1.55 Wimbledon Lawn Tennis Championships. 4.23 Regional News (except London). 4.25 Play School. 4.50 Blue Peter. 5.15 Boss Cat. 5.40 The Wombles.

5.45 News.
6.00 Nationwide.
6.15 Wimbledon Lawn Tennis.
7.15 Top of the Pops.
8.00 Porridge.
8.30 Monty Python.
9.00 News.
9.25 Second Verdict.
10.15 Omnibus—Gene Kelly.
11.15 To-night.
11.50 Weather Regional News

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bilidowcar. 6.00-6.15 Wales To-day. 8.30-9.00 Heddiw. 11.50 News and Weather for Wales.

Scotland—6.00-6.15 p.m. Reporting Scotland. 11.50-11.53 News Summary and Weather for Scotland. 11.53-12.18 a.m. Bonn Comraidh.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.15 Scene Around Six. 11.50 News and Weather for Northern Ireland.

England—6.00-6.15 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
2.00 p.m. Wimbledon Lawn Tennis Championships.
7.30 News on 2.
7.40 In Deepest Britain.
8.10 Spirit of the Age.
9.00 Call My Bluff.
9.30 Cleo: Cleo Laine with John Dankworth, Cy Grant, Swingle II.
10.15 Rhoda.
10.40 Wimbledon highlights.
11.30 Newsnight.
11.45 Closedown: Julian Glover reads "The Two Witches" by Robert Graves.

LONDON

9.30 a.m. Schools Programmes. 10.30 Untamed World. 11.00 Schools Programmes. 12.00 Tom, Dick and Harry. 12.10 p.m. Rainbow. 12.30 Here's Good Health. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Sports Special: Show Jumping from the Lincolnshire Show; Uniroyal International Golf Championship. †4.25 Children's Film Matinee: "Carry On Sergeant," starring William Hartnell, Bob Monkhouse and Kenneth Connor.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 Spring and Autumn.
8.30 Clayhanger.
9.30 This Week.
10.00 News.
10.30 Help!
†10.35 The Thursday Thriller: "Hustling," starring Lee Remick.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 Spiderman. 5.20 Castaway. 6.00 About Anglia. 6.20 Arena. 7.00 Survival Special. 10.30 Now and Then. 11.30 Arnie. 11.55 The Living Word.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 The Lone Ranger. 4.50 Time Tunnel. 6.00 ATV Today. 7.00 The Magician. 10.30 Gardening Today. 11.00 Police Story. 11.55 Epilogue.

BORDER

†1.20 p.m. Border News. 4.25 Children's Matinee: "The Mark of Zorro," starring Yvonne de Carlo and Ricardo Montalban. 6.00 Border News and Lookaround. 7.00 Island of Adventure. 10.30 Gardening Today. 11.00 Boney. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's on Where. 4.25 The Beachcombers. 4.50 The Time Tunnel. 6.00 Channel News. 6.10 Wildlife Theatre. 7.00 Combat. 10.30 Russell Harty. 11.15 Actualities et Projections No. 2.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 4.25 Handmade in Isfahan. 5.20 Wonder Weekly. 6.00 Grampian Today. 7.00 The Magician. 10.30 The Odd Couple. 11.00 Second Profile. 11.30 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 4.25 Survival. 4.50 The Flintstones. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Command Performance. 10.30 Maude. 11.00 The Zoo Gang. 11.55 The Challenging Sea.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tell Me Why. 4.55 Fantastic Voyage. †5.20 Chuckleheads. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 "Murdock's Gang" (film). 10.30 Musket, Fife and Drum. 11.00 The Late Film: "Paper Man" starring Dean Stockwell.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.55 Ble sy'n y Edy... 6.01-6.18 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.25 Tarzan. 5.20 Piper and his Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Jason King. 10.30 Drive-In. 11.00 Late Call. 11.05 The Baron.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Sylvester and Speedy Gonzales. 5.25 Crossroads. 6.00 Day by Day. 6.35 University Challenge. 7.05 Island of Adventure. 10.30 The Late Thursday Film "The Badge or the Cross" (TV movie). 12.15 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 The Little Rascals. 4.50 Beachcombers. 5.20 University Challenge. 6.00 Today at Six. 7.00 Emergency. 10.30 Sportstime. 11.00 The Saint. 11.55 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Tarzan. 5.20 Here's Lucy. 6.00 Summer Reports. 7.00 The Big Valley. 10.30 Operation By-Pass. 11.00 What's It All About.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 The Beachcombers. 4.50 The Time Tunnel. 6.00 Westward Diary. 7.00 Combat. 10.30 Russell Harty. 11.15 Westward Late News. 11.18 West Country Job Finder. 11.25 Play Squash, Jonah's Way. 11.55 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Thunderbirds. 5.20 University Challenge. 6.00 Calendar. 7.00 Emergency. 10.30 Emmerdale Farm. 11.25 Drive In.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including this week's new Top 20 LP discs, and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK. 5.45 Newsbeat. 6.02 As Radio 2 (6.02-7.00 as VHF). 11.00 John Peel (S) (also on VHF). 12.00-1.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Ray Moore (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 Wimbledon (1500m only, also 202m Scotland, VHF rejoins Radio 1) including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45-7.00 Wimbledon (1500m only, also 202m Scotland), including 4.45, 5.45 and 6.45 Sports Desk. 4.45-7.00 Sam Costa (S) (VHF only). 7.02 Two By Two. 7.30 Sports Desk. 7.33 David Allan's Country Club (S). 9.02 Wally Whyton (S). 10.02 Sports Desk. 10.05 Folkweave (S). 11.02 Don Durbridge with The Late Show (1500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer Rimsky-Korsakov (S). 9.50 Frans Bruggen recorder recital: Bach, Shinohara (S). 10.15 Academy of the BBC: Handel, Suk, Mozart (S). 11.15 Now and Then (S). 12.15 p.m. Hugo Rignold (1905-1976) memorial concert, part 1 (S). 1.00 News. 1.05 Hugo Rignold concert, part 2 (S). 2.05 "Ascanio in Alba" Serenata, music by Mozart, Act 1 (S). 3.25 Interval Reading. 3.35 "Ascanio in Alba," Act 2. 5.00 The Developing Musician (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Life-lines: The Wider World. 7.30 Orchestral Concert part 1: Rameau, Mozart (S). 8.05 Interval Reading. 8.10 Concert, part 2: Bruckner. 9.15 The Rebirth of an Opera: Wagner's "Rienzi" (talk with illustrations) (S). 10.15 The Fair Magelone song recital: Brahms (S). 11.25-11.30 News.

Radio 3 VHF only: 6.00-7.00 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

† Medium Wave only.

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day. 7.00 News and more of Today including 7.25 VHF Regional News, 7.45 Thought for the Day. 8.00 News and more of To-day including 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. †9.05 These You Have Loved. †10.00 News. †10.05 From Our Own Correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 If You Think You've Got Problems! †11.50 A Country Walk with Andy Price. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Music (S). 12.55 Weather and programme news: VHF (except London and S.E.) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack De Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report: VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Dad's Army. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Any Answers? 8.00 The Escapers. 8.45 Analysis: Institutions for Europe. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only)—9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Mike Sparrow with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. David Simmons' Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Sound Out. 4.32 Nick Handel with Home Run including 5.00 and 6.00 London News Desk. 7.00 Jenny Thompson and Diana Rice (as 11.03 a.m.). 8.00 Rail. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2 until close-down.

London Broadcasting

261m and 97.3 VHF

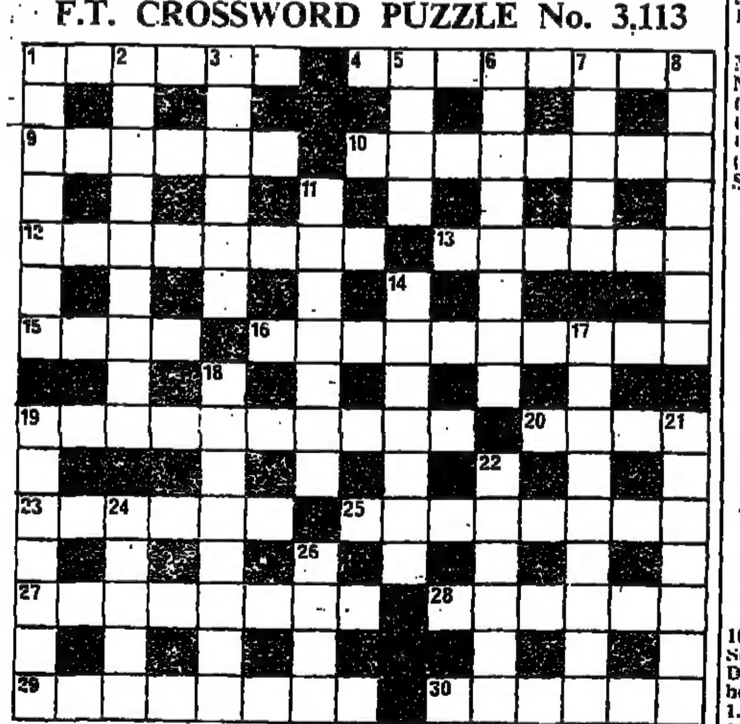
5.00 a.m. Morning Music. 6.00 "A.M."—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene, The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 Jane Walmsley and Bryan Wolfe: London Today. 7.30 Adrian Love Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 Tony Myatt, The Late Show. 2.00 Night Flight.

F.T. CROSSWORD PUZZLE No. 3,113



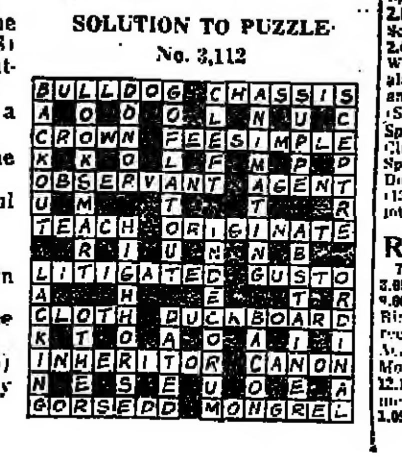
ACROSS

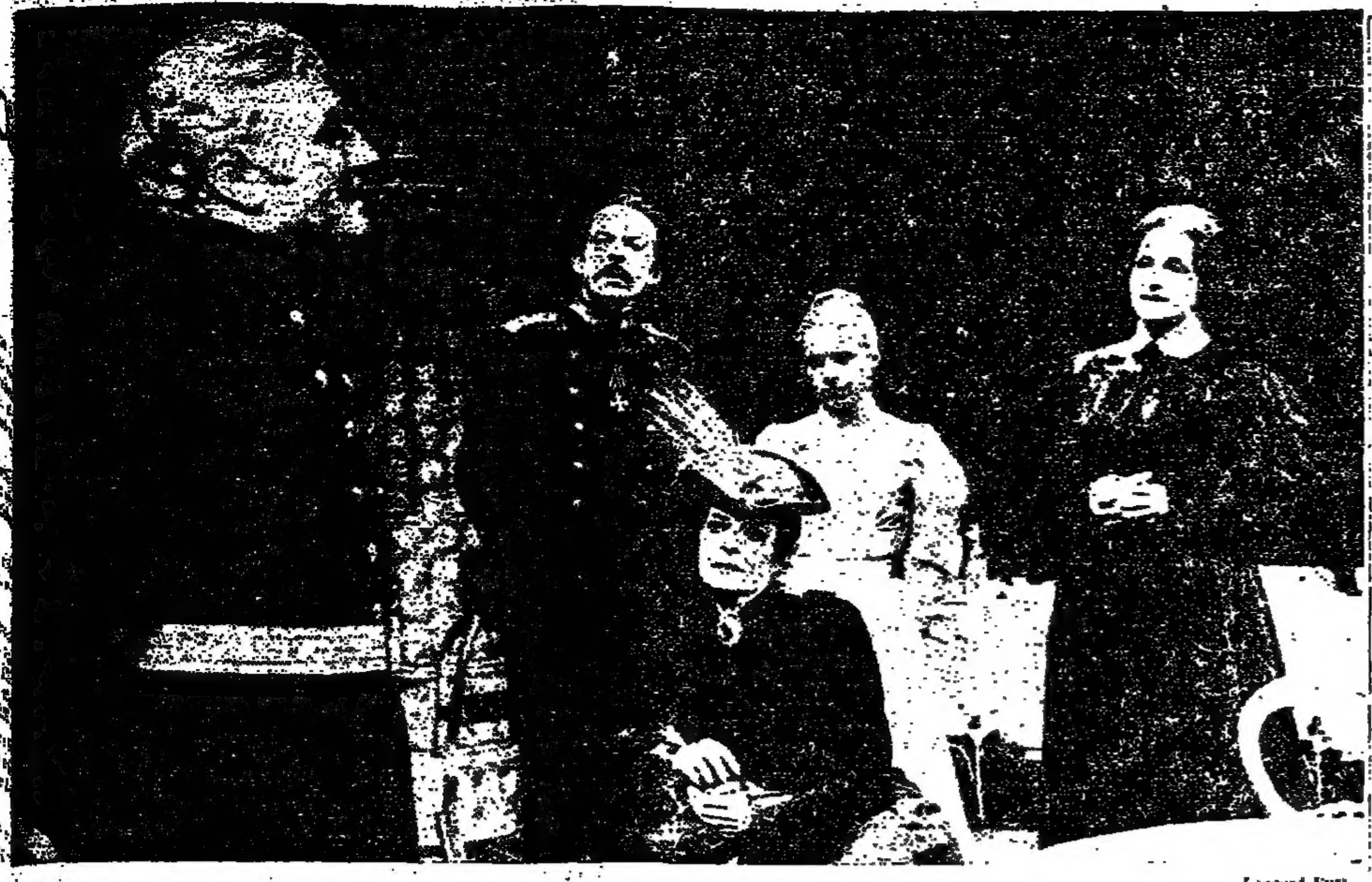
1 Liquor for the carrier (6)
4 Corn for one mounted (2, 3, 3)
9 There is fashion in any Shakespearean character (6)
10 He gets the artist back twice to show approval (4, 4)
12 That peer turns out to be father (3, 5)
13 "And lives to —— the golden keys" (Tennyson) (6)
15 Loan requested by 9 (4)
16 What bad investment brings in loses point (4, 6)
19 Wherein the hens lay in Dixie (3-4, 3)
20 The Oxford crew is seen in the river (4)
23 Country girl needs ability first of all (6)
25 Charon was a grim one according to Shakespeare (8)
27 Debunked like the present-day population (8)
28 Archbishop is back with a message (6)
29 Not so much to observe in the immaculate (8)
30 "The — that from the soul doth rise" (Jonson) (6)

DOWN

1 Pa tries to change foreign currency (7)
2 Unpleasant quarrel in the park (6, 3)
3 A group from the Helicon (6)
5 Lost motion means that they have it (4)
6 The start of an epitaph—he depends on it (4, 4)
7 See the Socialist split (5)
8 Stream round the old refrain (7)
11 To be up in a game of golf means reaction (7)
14 Noisy on the beach and unpopular in the kitchen (7)
17 Strange arms in our Constellation (4, 5)
18 The right place to plant wares with lubrication (4, 4)
19 Pounds for pilferers (7)
21 Garment fits one to a T (7)
22 The appearance of one in anger (6)
24 Good-for-nothing number round a river (5)
26 Shapes in sound colours (4)

SOLUTION TO PUZZLE No. 3,112





Nigel Davenport, Peter Eyre, Janet Suzman, Angela Down and Susan Engel in 'Three Sisters,' which opened last night at the Cambridge Theatre

Leonard Burt

Record Review

Britten and before

by PAUL GRIFFITHS

Britten A Birthday Hansel, Canticle V, Harp Suite, songs: Peter Pears, Osian Ellis Decca SXL 6788 (£3.25).
Bridge The Sea, Summer, Cherry Ripe, Enter Spring, Lament: RLPO/Sir Charles Groves EMI ASD 3190 (£3.20).
Hadley The Hills, Delius To be Sung of a Summer Night on the Water: Felicity Palmer, Robert Tear, Robert Lloyd, Cambridge University Musical Society Chorus, King's College Choir, LPO/Philip Ledger EMI SAN 393 (£3.50)
Rubbra Missa cantuariensis, Missa in honorem Sancti Dominici, carols: St. Margaret's Westminster Singers/Richard Hickox RCA LRL1 5119 (£2.99).
Butterworth Shropshire Lad songs, Finzi Earth and Air and Rain: Benjamin Luxon, David Willison Argo ZRG 838 (£3.25).
Somervell Maud, Butterworth Shropshire Lad songs: John Carol Case, Daphne Ibbott Pearl SHE 527 (£2.80).
Great British Film Music: National Philharmonic Orchestra/Bernard Herrmann Decca PFS 4363 (£2.99).

The latest record of Lord Britten's music includes two works for tenor and harp written since *Death in Venice*. His fifth canticle, like the fourth, takes a text from Eliot, though this time the poem is a very early one, *The Death of St. Narcissus*. The music is dry, stark and bony, with very little of the glitter one might expect from a harp song; but it is well suited to Eliot's controlled imagery of metamorphosis and martyrdom. As in so many of Britten's songs, it is the instrument which does most of the word painting, in this case providing rhythms of march and dance, while the voice moves more freely to colour the lines. In such a context one moment of sudden vocal emphasis, at the words "struck down," seems unnecessary, but otherwise the piece is a model of restrained entry into a poet's thought.

More immediately engaging is the Burns cycle *A Birthday Hansel*, which was written last year at the request of the Queen as a 75th birthday present for her mother. Celebratory, romantic and comical, the songs make an attractive mixed bouquet. This may be an occasional piece, but it is one which shows a master's care, not least in the very different sounds and textures drawn from the harp. The Harp Suite of 1969 is also a nicely varied composition, perhaps the least tedious long work in the instrument's repertory. Also included in the programme are two Scots folksongs arrangements and the second lute songs from *Gloriana*. I need hardly add that the performances, by the musicians for whom these works were intended, are everywhere exemplary. Pears shows occasional signs of strain — it would be miraculous if he did not—but he knows well how to use straightened tone to expressive effect.

Lord Britten's teacher, Frank Bridge, is gradually achieving the recognition denied him between the wars, and it is becoming clear that he was a very fine and extraordinary composer, a man alive to continental developments at a time when most of his generation were contemplating fens and folksongs. The present disc includes one work of astonishing brilliance, the late rhapsody *Enter Spring*, and others which show in some measure how Bridge came to such greatness. *The Sea*, a suite written not long after Debussy's symphonic sketches, is a piece of standard English nature evocation, at its best in the swelling "Seascape" and calm "Moonlight." There is more individuality in the tone poem *Summer* of 1914, a Delian haze but crisper and stronger in movement.

Enter Spring, however, is wildly exhilarating. Its ideas are sharp and vibrant; they tumble upon each other in generous flow, and the whole piece has a muscular power almost unparallelled in English music of the time (around 1930). This is nature poetry of an unusual keen energy, but only the triumphs at the close of the work begin to sound exaggerated. Perhaps Sir Charles Groves could have held back a little here, though his and the orchestra's enthusiasm is hard to resist throughout the record. Of the smaller pieces for strings, *Cherry Ripe* is a fantasy on the well known tune and *Lament* a touching threnody for a child victim of the *Lusitania* sinking.

English landscape music of a much more conventional type is represented by Patrick Hadley's *The Hills*. Hadley, who was born in 1899 and died in 1973, belonged to the second generation of pastoralists and was an ardent admirer of Delius and Vaughan Williams. *The Hills* is one of several large-scale dramatic nature cantatas by him, dealing this time with a wandering son's nostalgic vision of his parents' courtship and marriage among the Derbyshire hills. There is fine solo work in the recording (though Felicity Palmer is a bit matronly for a young bride), a chorus which can be lusty or poetic, and glorious orchestral sound. Such a performance underlines the excellence of the composition, but its claim to be the product of a personal imagination is vitiated by its total dependence on Hadley's revered predecessors. Delius' lovely little choral vocalises, here a filler, have so much more freshness and life.

A close contemporary of Hadley's, Edmund Rubbra, has his 75th birthday marked by a recording of the two greatest of his four masses. These works hardly conceal the composer's descent from Holst, but Rubbra is, of course, more of an individual than Hadley, and has the imperfections that often entails. The *Missa cantuariensis*, a festal work for Anglican use, is somewhat unsure of its aim; Rubbra may have had difficulty in exposing the liturgy publicly, for the contrapuntal elaborations and double-choir interplays sound forced. Much more successful is the concise, devotional St. Dominic Mass, originally intended for the Catholic rite. This is a work of stark, strange harmony and clean line, a work which can stand with Britten's as one of the finest English masses of the century. Richard Hickox and his choir enter fully into its intense private mystery.

To return to the pastoral school at its origins, George Butterworth's Housman settings appear in two splendid records of English song. John Carol Case, in what is announced as his farewell recital, includes the Six Songs from *A Shropshire Lad*; Benjamin Luxon sings these and also the composer's later cycle of settings from the same collection, "Bredon Hill" and Other Songs. Which one prefers for style is a matter of taste. Case brings a prevalent sense of comfortable Salopian atmosphere; Luxon is more inclined to extremes of robustness and languor, and I prefer his touches of character, such as the slight irony at the end of "Is my team ploughing?" Neither singer, however, treats these pieces as lightly as he might.

The principal work on Carol Case's disc is Sir Arthur Somervell's Tennyson cycle *Maud*, and this is beautifully done. Somervell's music is so natural, so tellingly responsive to word and mood, that one can only regret the burst of jingoism with which the work concludes. That apart, *Maud* is a superb example of late 19th-century English song; had it been German or French there would by now be no need to recommend it. Rather less impressive, though still nicely turned, is Luxon's second side, which contains Finzi's set of Hardy songs *Earth and Air and Rain*, for even this singer's attentiveness and subtlety of feeling cannot save some of the numbers from appearing precious.

Finally, Bernard Herrmann's choice of "great British film music" has some tracks which are not very extraordinary. The pieces by Bax and Benjamin are unmemorable, and Walton's ballet music from *Escape Me Never* is far from being his greatest work. Some extracts from Bliss's *Things to Come* score include two not otherwise available, but these only leave the impression that Bliss knew what he was doing in compiling his own suite. All is forgiven, however, for Constant Lambert's *Anna Karenina* music, a joyous confection of pastiche Russian Romanticism in the mould of Chabrier, complete with love theme and soulful epilogue. The film must have been hideous.

U.S. Letter

American operas—2

by ANDREW PORTER

The American opera of the Boston season was Roger Sessions's *Montezuma*—not new, but unperformed since it had its première in West Berlin in 1964. Sessions, who will be 80 in December, is the grand old man of American music, revered by generations of pupils, and not much heard by the public. His main medium has been the full orchestra; there are eight symphonies. In Wilfrid Mellers's words, he has "served as guide and mentor to the young and as guardian (in no pejorative sense) of academic respectability." *Montezuma* is a large, visionary, and very personal opera. The sort of company it keeps is Pfitzner's *Palestrina*, Busoni's *Doktor Faust*, Vaughan Williams's *Pilgrim's Progress*, Hindemith's *Harmonie der Welt*, and Dallapicolia's *Ulisse*.

The subject, drawn from Prescott's *Conquest of Mexico* and the memoirs of Bernal Diaz, who accompanied Cortes on his expedition, is the Great American Epic. (Many composers, notably Graun and Spontini, have been attracted to this stirring, colourful matter.) But *Montezuma* is not an epic, nor an historical romance, nor—in the manner of *The Royal Hunt of the Sun*—a strong drama of personalities. Rather, it is a series of reflections, shaped in lyric-theatre terms, on such themes as the problems of empire, the disruption of stable agricultural societies by "modern progress," the tragic inability of tolerant rulers to inspire tolerance in their subjects, and the impossibility of rival creeds or cultures peaceably cohabiting the same region. Behind it, Italy and Abyssinia loom as large as Spain and Mexico.

The librettist was Giuseppe Antonio Borgese, writing a very odd English. ("Bread and wine needs a man to fight and die"; "Us enchants he but eke frightens.") To the difficulty of syntax is added that of hearing the voices through a very full orchestra. The Boston theatre, which has no proper pit, may have been partly to blame, but the same criticism was made in Berlin—although in both houses electrical amplification of the singers was used. Borgese died in 1952; his original libretto was reduced to about a third of its length by his widow, Elisabeth Mann Borgese, and the composer. The density of ideas, both intellectual and musical, is now very great; they are presented swiftly, insistently, without relaxation, in a few bars, a few obscure words. The libretto needs to be pondered in advance, and the performance demands unremitting attention, for *Montezuma* is no conventional drama of passions and pageantry.

Such attention it rewards, however. The music is *good*—richly made, sung out in sweeping, full-blooded lyrical gestures of long span. It is colourful and it has character. One responds to the movements of a powerful and poetic mind. Few large 12-note scores since *Moses und Aron* have been so melodically eloquent. Although the orchestra offers too stiff a competition, Sessions intended the voices to dominate. The instruments are used to emphasise, provide a context for, or define the articulation of essentially vocal gestures. Perhaps the opera needs a carefully balanced radio or recorded performance to be heard as its composer must have imagined it.

The dramaturgy is schematic. The basic scene is old Diaz's study; as he pens his memoirs, the events he is recalling take shape. Cortes is hard and practical, Montezuma irresolute and too trusting. Between them as mediatrix is Malinche, the Indian girl who becomes Cortes's mistress; Montezuma describes her as "a Magdalen, and a mixer of seeds, a builder of a new race of men." Diaz observes that racial and religious differences are not so easily reconciled. Both men have youthful, impetuous lieutenants, who precipitate the violence that both the conqueror and the emperor seek to avoid.

At the end, from the roof of the Spanish citadel where he is imprisoned Montezuma addresses his people: "Let us share with them our maize. They can provide us with chariots and wheels, the tame high deer, feather-maned, rampant skywards, to span with cotton-haired harvest the ranges [Borgese's way of saying horses] . . . until we show them to provinces uninhabited . . . for this land is roomy, of bounteous lap . . . These would be my words, that ye love one another." His subjects respond by stoning him to death. And then the opera (to the bewilderment of the ordinary public) ends with an invisible chorus of Clouds, who cloudily resolve to assist the Aztecs for a while, although prophesying their eventual defeat.

Easy to say that for, all the high seriousness and inspired music in his piece, Sessions has miscalculated. Prudent to recall that the same was said of *The Trojans* until people learnt how to perform it. Sarah Caldwell produced and conducted. The Boston Opera has no opera house and no full-time chorus and orchestra. Miss Caldwell has pulled off a miracle for it (the most vivid *Benvenuto Cellini*, the most exciting *Capuleti* I have ever encountered), but her *Montezuma* did not triumph over the acoustics, the poky stage (where once she did *The Trojans*), and the awkwardly amateur chorus. Richard Lewis, zipped into a brown body-stocking, made an uneasy, unmajestic Montezuma and did not dominate the opera. Brent Ellis, an excellent baritone, was a commanding, decisive Cortes. As Malinche (her first stage role), the admirable Phyllis Bryn-Julson sang truly and clearly, but her acting was tentative.

For the Minnesota Opera—a lively, adventurous company, serving the contiguous cities of Minneapolis and Saint Paul—Dominick Argento composed *The Voyage of Edgar Alen Poe*. Charles Nolte's libretto is ingenious. In life, Poe took the packet from Richmond for Baltimore, where he was found in a gutter, dying, some days later. In the opera, he boards a spectral vessel; in the saloon a troupe of strange mummers play a phantasmagoria, part biography, part a tangle of the tales and poems. The master-of-ceremonies and evil genius is Poe's traducing biographer Groswold, who is also his unloving foster-father and the doppelgänger William Wilson in the tale of that name. His cousin and child-bride Virginia turns into Madeline Usher, and so on.

Argento is an attractive and able composer. The programme-book printed his candid composition-diary, which ends: "far and away the most ambitious thing I have done. . . . Vardian, lyric, exciting, imaginative and interesting (to me, naturally, rich, in short . . . I suppose it is less fantastic, less strange than I had hoped. Or am I discovering that many of the fanciful things I can contemplate, I simply can't entertain in composition?" Debussy found as much; despite 27 years of work at his two Poe operas, *The Fall of the House of Usher* and *The Devil in the Belfry*, he could get very little music down on paper. Argento's music is lyrical, rich, and imaginative; it is fluent; and it is perhaps not quite as strange, as hallucinatory, as a Poe opera ought to be. For the music, Britten provides the nearest parallel: a harp interlude like that of *Lucretia*; piano-accompanied passages and sudden flowers of melisma like *Death in Venice*; blurred, busy ensembles made up of superimpositions like those of the church parables.

The production—especially for the dashing Minnesota company—was a shade tame. The designs of Tanya Moiseiwitsch and the lighting of Duane Schuler (who lit Houston's *Bilby's Doll* so brilliantly) were not wild or surprising. But on all levels the show was well prepared and trimly executed. The troupe is a "music theatre" company made up of dextrous performers. The outstanding voice was that of John Brandstetter, whose smooth, pure baritone was almost too poetic and refined for his roles as multiple evil genius. *The Voyage of Edgar Allen Poe* may not set the Mississippi on fire—few operas do that. But as new pieces go it can be counted a distinct success.

Greenwood

The Erik Satie Show

Described in the programme as "an interrupted monologue," this sedate mixed media culture package on the life and music of Erik Satie, devised and compiled by Roger Savage and John Cumming, dates from the 1973 Edinburgh Festival. Satie's own scribblings and anecdotes serve well to conjure a picture of this strange, quirky composer. Meticulously clean, living most of his life in austere poverty on a diet of white food and boiled wine, he never married "for fear of being cuckolded" and admits that, before writing a work, he was went to walk around it several times accompanied by himself.

A gadfly specimen of *fin de siècle* man, he is charmingly impersonated by Frank Lazarus. Infuriated by the critical acclaim heaped on Wagner and Debussy, we see him playing (and Mr. Lazarus plays a good piano) bits of the *Gymnopedies*, a Rosicrucian fanfare and ten of the rather heavily humerous *Sports at Divertissements*. And much besides, all with neat balletic comment by Sylvia Byrne. The trouble is that dancer and composer do not inter-relate in any very clear or exciting way, and one is continually having to make do with the odd amusing remark ("A pianoforte, like money, pleases only those who touch it") which merely confirms the picture from the outset of a waspish, mildly embittered eccentric shuffling along in a world populated by greater talents. Satie was generous in his estimation of Stravinsky, passionate in his defence of the *Groupe de Six* and dedicated to single-minded pursuit of sounds of child-like, stunning simplicity that Henri Sauget once admirably assessed as seeming to come from very far and from very high.

He emerges as a lovable, reflective melancholic. Michael Wearing's production, however, packs as much punch as a sleepy *Omnibus* essay, and you feel it might really improve in surroundings more intimate than available at this address.

The show stops for a quarter of an hour just before the end while a short, surrealistic, very funny film of René Clair is projected on to a screen otherwise occupied by portraits of the composer (including those by Picasso and Cocteau). This is the original entr'acte material of *Relache*, and, in between a hilarious funeral chase, you can spot Satie firing a cannon and Man Ray and Marcel Duchamp huddled over a chess board.

MICHAEL COVENEY

Festival Hall

Mahler 2

There are as many ways, all of them valid and convincing, of presenting Mahler's second symphony as there are answers to the question Mahler tells us he asked with the music, "Why did you live?". The opening movement proposes rhetorically, with terrible foreboding, "Is it all a huge joke?" On Tuesday with the New Philharmonia Orchestra, in a concert also broadcast live on Radios 3 and 4, Lorin Maazel offered his own answer, with terrible conviction: a joke indeed, grim, brilliant and vulgar, to be recounted in measures fast, hard and furious, driven to its fatal conclusion with as much panache and energy as human frailty allows.

As it is commonly played, the spiritual centre of the symphony is the *Urlicht*: the cry from the heart for God's eternal life. But Maazel played the *Urlicht* loose and fast, almost brushing the music aside: the spiritual centre of his performance was the scherzo—etched in ice, a macabre and terrifying dance, twitched like a puppet to the ghostly sound of the *Rute*.

Maazel is not the conductor to persuade us (as Klemperer used to) that the most vulgar moments of Mahler, and of the second symphony in particular, need not *sound* vulgar. Every painful irony, every cheap gesture, every moment of disintegration was ruthlessly exposed: music in Maazel's hands, at the end of its tether—was it just such a vision which led von Bülow to declare that beside Mahler's Second, *Tristan* was like a Haydn symphony?

Disturbing as it was, Maazel's reading was also hugely exciting to watch and to hear: the savage colours of the first movement cut with a scalpel; the massively indulgent, vaguely sub-Elgarian climax, played for all (and more than) it was worth, down to the last marvellous, horrible flutter of fortissimo horn trills. The finale emerged here no more than a slick Christian half-solution, shallow reply to the anguish of the first movement, no sop to its anger. The famous percussion crescendo — *bis zur höchsten Kraft anschwellend*—was one of the loudest and fiercest I have ever heard in the Festival Hall. Both Jill Gomez and Anna Reynolds floated their song of reconciliation sweetly, but vainly, above the tumult. The choral entry *pianissimo*, was very fine.

DOMINIC GILL

Coliseum

Nureyev and Friends

The Olympics continue. During the next two weeks Rudolf Nureyev and his friends are to be seen in a couple of mixed bills—four ballets every night, with Mr. Nureyev starred in each work. Amazing; perhaps a little self indulgent, but amazing none-the-less. Chief friend on Tuesday was Lynn Seymour, who joins Mr. Nureyev in three pieces: *Apollo*, *Le Corsaire* and *The Moor's Pavane*. She and Mr. Nureyev are both stars, and the public would probably be quite happy if they came on stage and read the telephone directory. Happily they dance very well together, and their joint interpretations made an otherwise rambling account of *Apollo* worth watching during the great pas de deux for the young god and his chosen Muse, which joyous encounter had a bright dramatic vivacity. Monica Mason and Georgina Parkinson were the other divinities: all four principals deserve a tauter production, and a performance of the score which sounds rather less like *In a Persian Market*.

The *Corsaire* pas de deux is the evening's statutory sweetmeat, looking on this occasion like a maddened fondant. Mr. Nureyev was tigerish; Miss Seymour—very happily returned to a tutu role — deployed her lovely legs and masses of charm in fouettés, and the whole affair had the groundlings in a roar. Quite what the Béjart *Songs of a Wayfarer* had them in I do not know: my own reaction, apart from admiration at Mr. Nureyev's intensity of presence and pleasure at seeing Daniel Lommel as the wayfarer's dark fate, is bemusement at what Béjart imposes upon the Mahler score.

And to close, *The Moor's Pavane*. This is one of the sacred texts of modern dance, generally accredited to Jose Limón's masterpiece. It is a work I have dutifully tried to admire, and one which always leaves me bewildered and dissatisfied. A gloss on *Othello*, it is compounded of meaningful glances, some tearing of passions to tatters, a handkerchief, and four performers—Mr. Nureyev as Othello, Miss Seymour as Desdemona, Monica Mason as Emilia, and Fred Mathews (from the Limón company) as Iago.

CLEMENT CRISP

Covent Garden's 1976/77 programme

Covent Garden's next season, announced on Tuesday, includes six new opera productions, including a new opera by Michael Tippett, *The Ice Break*; a world premiere of a new ballet by John Neumeier, and three ballet first performances.

The new operas, besides the Tippett, are *Götterdämmerung* (which completes Götz Friedrich's *Ring* production); Walton's *Troilus and Cressida* in a revised version, Strauss's *Ariadne auf Naxos*, Weber's *Der Freischütz* and Puccini's *La Fanciulla del West*.

The ballet premieres, besides the Neumeier (provisionally entitled *Mahler Symphony*), are Glen Tetley's *Voluntaries*, Hans von Manen's *Adagio Hammerklavier* and John Cranko's three-act *Onegin*. The touring company also plans some new works, by Lynn Seymour, David Morse and Peter Wright, and the first performance by the Royal Ballet of *La Sylphide*.

Some staff announcements at Covent Garden have also been made. Colin Davis's appointment as music director of the Royal Opera has been extended until July 31, 1980. Götz Friedrich is named Principal Producer of the company, in which position he will be responsible for more new productions than any other producer between now and 1980 (the next being *Der Freischütz*).

There will be another season of Covent Garden proms, both of opera and ballet; and two mid-week matinees for children will be given in association with the Linbury Trust—*La Bohème* in December and *La Fille mal gardée* in February, 1977. The Sunday concerts will be continued.

Business Books are reviewed on Page 29

Oxford Theatre Festival 1976

There will be three plays in this year's Oxford Theatre Festival. *Arms and the Man* will open at the Oxford Playhouse on July 21, with John Stride as Bluntschli, Peter Egan as Sergius and Sinead Cusack as Raina. This will be followed by *Waiting for Godot* in a production by Patrick Magee. John McEnery plays Estragon and Henry Woolf, Vladimir. Finally there will be the premiere of a new play by Denis Cannan, *Dear Daddy*, with Nigel Patrick and Phyllis Calvert.

There will also be Sunday night shows and lunchtime theatre.

Sondheim for Wyndham's

Side by Side by Sondheim, the musical entertainment based on the music and lyrics of Stephen Sondheim, will transfer from the Mermaid to Wyndham's on July 7. The company remains the same: Millicent Martin, Julia McKenzie, David Kernan and Ned Sherrin.

'It Happened in Venice'

Phillip Manikum plays Vincenzo in the Welsh Drama production of *It Happened in Venice* and Michael O'Donoughue plays Fortunato, not the other way round as stated in Monday's paper.

WORLD TRADE NEWS

Decision near on Dubai contracts

By Our Foreign Staff

THE CONTRACTS for the £100m. Dubai power project, for which a consortium comprising the National Enterprise Board, Rio Tinto Zinc and GEC is bidding, is expected to be awarded in a matter of weeks.

Nine tenders have been submitted for the project and are currently being considered by the consulting engineers for the project—Kennedy and Donkin of the U.K. They are expected to submit their recommendations to the Dubai Electric Company by the end of this month. Letters of intent will probably be sent out in early or mid July and the final contracts are expected to be announced around the end of July—by August 8 at the latest.

Apart from the British consortium, others tendering for the project are Deutsche Babcock and Wilcox, Brown Boveri, Brown and Root, two Austrian companies—Waagner-Biro and Elin Union, the Italian Gruppo Industrie Elettro, Mitsubishi and a U.S./West German consortium called Envirogenics.

The contract, valued at between Dirhams 600m. and 700m. (nearly £100m.) will be undertaken as a turn-key project. It will include three 60 megawatt power units together with a desalination plant, producing 8m. gallons a day, and water reservoirs. The project will be located at Jebel-Ali but will supply the Dubai area. Jebel-Ali has been designated an industrial free-zone. Contracts for a refinery and steel plant to be established there are also expected to be announced shortly.

The formation of the British consortium to tender for this project marked the NEB's first entry into the export market. Its participation is seen as a means of lightening the risks which British exporters have to bear when they bid for turn-key projects, particularly when they are negotiated on a fixed price basis.

Asean shipping conference plan

By Our Asia Correspondent

INDONESIA, MALAYSIA, the Philippines, Singapore and Thailand may try to pool their shipping resources and to form a shipping conference of their own.

According to a proposal accepted by the permanent committee on shipping of the Association of South East Asian Nations (Asean) to which all five belong, an in-depth study is to be made of the shipping needs of the five countries with a view to pooling their resources.

The Inter-governmental Marine Consultative Organisation (Imco) has offered its help in modernising the regions maritime administration and help with setting up shipbuilding and repairing facilities.

How far the proposals would be acceptable to the individual countries of Asean is another matter. Singapore is far ahead of all the other countries, although it is the smallest of them. It is a major port and had shipbuilding and repairing facilities already to compete with the best in the world.

Ford Dagenham to build engines for U.S. market

BY TERRY DODSWORTH

DETROIT, June 23.

FORD U.K.'s engine plant at Dagenham will receive an unexpected boost to exports next year because of a decision by the U.S. parent company to use a British power unit in the American exports version of its new European small car.

The Fiesta, a small front wheel drive vehicle that will compete with cars like the Renault Five and the small Volkswagen and Fiats, is due to be launched in Europe later this year. According to Mr. Bill Bourke, executive vice-president of Ford U.S., imports of the car into America will also have begun by mid-1977, with the aim of selling about 100,000 units a year in the U.S.

All of these vehicles will be made in Ford's Sarrlouis plant in Germany but, unlike the European version of the Fiesta, they will have a 1.6 litre version of Dagenham's Kent engine specially "federalised" to meet U.S. emission standards. Mr. Bourke said in an interview in Detroit.

Mr. Bourke, a former head of Ford of Europe, and the Ford Executive chiefly responsible for putting together the Fiesta

World Car Markets

development programme, said a large-scale investment was currently going ahead on the engine production lines in Dagenham.

The American company's decision to use the Dagenham unit will go some way towards aleviating the import burden of the Fiesta programme on Ford U.K. Last year, after a behind-the-scenes struggle, the British company won a share in assembly of the new car alongside Saarlouis and Ford's new plant in Valencia in Spain. But a large proportion of the components used on the assembly line at Dagenham will be imported.

The development of the Fiesta shows that Ford is continuing to follow along the road towards complete integration in Europe. The company's aim, said Mr. Bourke, is to produce about 500,000 units of the car a year, with a high degree of cross supply of components. Dagenham, for instance, will make most of the engine blocks for engine assembly in Valencia.

At least three quarters of the car's production is earmarked for Europe, where it will lead Ford's drive into the markets of the Southern part of the Continent where front wheel drive cars are reckoned to be more acceptable.

W. German sales recover but export demand remains weak

BY GUY HAWTIN

FRANKFURT, June 23.

WEST GERMAN motor vehicle output in the first five months of the year was a full 35 per cent. up on the industry's performance in the same period of 1975. However, both 1974 and 1975 were very thin years for motor manufacturers and this year's figures still lag behind 1973's record production rate.

The car and estate vehicle sector led the production growth according to the Verband der Automobilindustrie (VDA). Of the 1.69m. motor vehicles manufactured during the first five months over 1.55m. were cars or estates — 36 per cent. more than the just under 1.26m. produced in the comparable period of 1975.

During the same period of the current year, says the motor industry federation, commercial vehicle output totalled 136,500 units — some 23 per cent. up on last year's January to May performance. But it is worth pointing out that demand for commercial vehicles held up well during the recession, primarily as a result of export demand.

On the export front, overseas motor vehicle sales have also fared far better this year than in 1974 or 1975. Again, however, demand remains 22 per cent. below the high levels of the 1973 boom.

Car and estate vehicle exports totalled 750,200 in the first five months, some 32 per cent. up on 1975's 567,487 units. Commercial vehicle exports, at 82,600 units, were 16 per cent. ahead of last year's 71,374 export total.

Month to month growth was particularly strong in the first quarter of the year. April output fell back by an overall 8.5 per cent. on the March figures, although it was 8.2 per cent. above the April, 1975, performance. May's total output, at 344,200 units of all types, was just around 1.7 per cent. above April's production level, but remained 7.3 per cent. below March's 372,130 units.

Commercial vehicle output in May rose 6 per cent. on the previous month's performance. The production decline compared with the March peak has come purely in the car and estate sector. There appears to have been particular reasons for this—primarily an unusually high order rate in the first quarter as customers sought to avoid early April's price increases.

The overall production growth in the first five months has tailed off from the first four month's 38.9 per cent. This was to be expected as the industry was moving out of the depths of the 1974 recession in the first quarter of 1975. More worrying, however, is the relative weakness of export demand, which at present shows no early signs of improving.

French upturn continues

BY RUPERT CORNWELL

PARIS, June 23.

THE RECOVERY in the French car market continues apace, and to-day both production and sales are back above the levels of 1973, before the energy crisis and the deep slump which followed.

Figures for the first five months of 1975 released here by the Manufacturers' Federation show that output at 1.29m. units was 21 per cent. above 1975 and 2.5 per cent. higher than in the corresponding period of 1973. Exports at 659,000, were respectively 9 and 1.1 per cent. up, and registrations within France 32.5 and 1.5 per cent. better at almost 796,000.

Equally encouraging for the domestic industry, the market share of its foreign competitors is very steady. May showed a marginal increase from a year earlier at 22.1 per cent., but was nonetheless well down on the 24 per cent. of May 1973—the height of the boom.

The only cloud that the Federation can discern is the danger of the catch-up spurt in sales fizzling out with the end of summer, helped on its way by the slight tightening of hire purchase regulations introduced last April by the Government.

A better trend is also apparent for heavy vehicles. For those of less than six tons, both output and sales were more than 40 per cent. higher than in 1975, although exports are stagnating. Domestic registrations of larger lorries soared by more than 60 per cent. over the first five months, but exports remain depressed at levels some 24 per cent. below those of 1975.

It is in this encouraging climate that the country's largest manufacturer, Renault, to-day announced an average 4.9 per cent. price increase for its 1977 models—after a 5.7 per cent. jump six months ago.

Other manufacturers are expected to follow suit, lifting the aggregate rise over the past 24 months to somewhere around 40 per cent.

Commission warns on export credits

BY DAVID CURRY

BRUSSELS, June 23.

THE Brussels Commission has served notice on EEC member states that it will insist that the negotiation of international export credit agreements should be done on behalf of the Community as a whole and not individually by countries.

Sir Christopher Soames, in discussion with the European Parliament's External Economic Affairs Committee, said that the Commission would insist that the "gentlemen's agreement" at present being implemented by the countries which attended the Rambouillet Summit last year could only be put into effect by the Council of Ministers.

The Gentlemen's Agreement lays down a bare minimum of harmonised credit terms, and is being implemented by the U.S., Japan, Britain, Italy, France and Germany by means of unilateral declarations. This was to get round a ruling by the European Court that export credits was a matter of Community competence. This means negotiations by the Commission on the basis of a mandate agreed by the Council, with national representatives keeping a close surveillance on the course of negotiations.

The French refused to accept such Community competence, arguing ostensibly that it made no sense to sacrifice national prerogatives in this field until the achievement of genuine economic and monetary union. Observers generally interpreted French reluctance as a desire to retain the competitive weapon of export credits in the national armoury.

Sir Christopher emphasised that the Commission had tried to be conciliatory in its attempts to assert Community competence, and did not want to upset the "gentlemen's agreement," however minimal its effect.

The Commission's case will receive a sympathetic hearing from the smaller EEC states which dislike strongly the big countries' habit of doing business in an extra-Community framework like Rambouillet.

Eastern places new jet order

NEW YORK, June 22.

EASTERN Airlines announced to-day it has ordered nine DC-9 series 50 jetliners from McDonnell Douglas for delivery in 1977.

The 115-passenger jet is the latest development in the family of twin-jet DC-9s.

An agreement signed by Eastern and McDonnell Douglas provides that the aircraft will be acquired under a 14-year leasing arrangement. The agreement also effects an out-of-court settlement of a lawsuit involving the two firms and arising out of late delivery of DC-8 and early model DC-9 jetliners to Eastern in the 1960s.

The agreement provides for return of the nine DC-9 series 10 aircraft, each having a capacity of 68 passengers, now on lease from McDonnell Douglas.

AMERICAN NEWS

More held under Jamaica emergency

By Canute James

KINGSTON, June 23.

FIFTEEN PERSONS have so far been detained under the state of emergency declared by the Jamaican Government five days ago. In addition to the eight who were held over the week-end, the new detainees were arrested between Monday night and last night, and are now at the detention centre at army headquarters in Kingston.

In a statement to Parliament yesterday, the Prime Minister, Mr. Michael Manley, said over the past six months 2,900 crimes had been reported, of which 1,662 involved the use of fire-arms. During the period 163 murders and over 1,000 armed robberies were committed, and 19 policemen killed by gunmen.

Mr. Manley said the declaration of the state of emergency had been brought on by intelligence reports from the security forces indicating that there was a new wave of violence planned for the end of June into July, similar to that which took place during the IMF conference in Kingston in January.

"The general security of the nation, including personal security, and the nation's economic security were seriously threatened," the Prime Minister said. Representatives of the Government and the parliamentary Opposition are meeting to-day to work out the ground rules under which political parties can pursue their activities under the emergency.

Mr. Manley said on Saturday that the general election, which must be held by June, will be held when it is due. He said last night that it was important that both the ruling People's National Party and the Opposition Jamaica Labour Party should have a clear understanding of their rights under the state of emergency.

Ban on Peron and 35 former colleagues

By Robert Lindley

BUENOS AIRES, June 23.

AFTER THREE MONTHS in power, the Military Junta to-day announced that former President Maria Estela Peron and 35 other sometime officials of the Peronist Government deposed on March 24 are banned from political and union activity for an indefinite period.

Sra. Peron and most of the other 35 already are under arrest and the Junta's "act," which is dated last Friday, moreover decrees their continued detention and embargoes all their goods "until the legitimacy of the acquisition of the same is justified." The Act blames all on the proscribed list of being "responsible for prejudicing the superior interests of the nation."

On the list are two former Presidents, Hector Campora — who has taken asylum in the Mexican Embassy here — and Raul Lastiri, several former Provincial Governors and labour leaders, including ex-Secretary General of the General Confederation of Labour (CGT) Casildo Herreras — who is in Mexico—and the ex-boss of the powerful political arm of the CGT, Lorenzo Miguel — who is under arrest.

NYC budget plans win finance board approval

BY STEWART FLEMING

NEW YORK, June 23.

NEW YORK City's emergency financial control Board to-day approved the city's 1976-77 budget plans, clearing the way for the U.S. Treasury to advance the city new federal aid early in July.

A draft leter to the U.S. Treasury Secretary, Mr. William Simon, is being prepared stating that the budgets are in line with the target of eliminating the city's deficit by the end of 1978. Providing Mr. Simon accepts the control Board's certification, it is expected that the city will be able to draw the first $1bn. of "seasonal" aid early in July. Without this finance, a New York City fiscal crisis would emerge with the threat of default once again.

The control Board's decision follows weeks of argument between, among others, the staff of the control Board and the city's Mayor, Abraham Beame, about whether his budget for the fiscal year 1977 beginning in July was realistic. A control Board staff memo had called for further cuts, but Mayor Beame had appeared to be resisting them.

At its meeting today three resolutions were approved enabling a compromise to be reached. These called for the city to submit a redrawn financial plan for the 1978 fiscal year by August 1.

Another resolution called for the city to prepare prospective cost savings of a further $135m. to be held in reserve ready for implementation should there be signs that the current budget proposals and cuts (or revenue schedule.

Within the terms of this agreement an extra $35m. of cash savings are to be emplaced by August 15.

A third resolution passed at this morning's control board meeting called for a new monetary procedure which would trigger where there was evidence of budget savings planned not appearing. The control board also calls for new plans to reduce the estimated $440m. deficit predicted for 1978 to be brought forward for submission by January 1, 1977.

While to-day's announcement from the control board is indicative of a major step forward in ensuring that New York City does not face a further fiscal crisis at the end of this month, a number of uncertainties could still undermine the remaining position.

Apart from Mr. Simon's reaction to the control Board decision there is also the question of how the city's municipal union leaders will now approach the current labour contract negotiations.

Fears remain that the unions representing 160,000 municipal employees could still baulk at accepting a new contract when their existing contracts run out at the end of this month.

For it is clear that the control Board has demanded that the city's overall wage costs should not rise and, therefore, there can be no rise wage rates for the city's employees unless the money to pay the increases can be conjured from cost savings such as further reductions in the workforce.

Carter stresses co-operation

BY OUR WASHINGTON STAFF

WASHINGTON, June 23.

MR. JIMMY CARTER, the probable Democratic presidential candidate, said to-day that the United States must emphasise increased co-operation between North America, Western Europe and Japan in a "community of the free" and do away with its "lone ranger" foreign policy.

Speaking before the Foreign Policy Association in New York, Mr. Carter said: "We need to recognise that in recent years our Western European allies have been deeply concerned, and justly so, by our unilateral dealings with the Soviet Union. To the maximum extent possible, our dealings with the Communist powers should reflect the combined view of the democracies, and thereby avoid suspicions by our allies that we may be disregarding their interests."

Mr. Carter rarely attacks his opponents directly, and in this speech, billed as a "major address," he did not denounce détente or mention the U.S. Secretary of State, Dr. Henry Kissinger. But he made clear that a Carter Administration

The U.S. Presidential Election

would not persue "a one-man policy of international adventure" such as he thought had evolved during the Nixon and Ford administrations.

He called for periodic summit conferences among the industrial democracies, occasional meetings of the leaders and frequent cabinet-level sessions.

In the spheres of economic and political affairs, Mr. Carter called for increased co-ordination among industrialised democracies to help avoid repetition of 1972-73 inflation, reduction of trade barriers and renovation of the international monetary system.

As he has in the past, he called for a reduction and phasing out of U.S. ground forces in South Korea after consultation with the South Koreans and Japanese. Pursuing the line of military reductions, he called for a study of North Atlantic Treaty Organisation (Nato), with a balanced reduction of forces in Europe by Nato and the Warsaw Pact.

City bids to attract Venezuela business

BY HUGH O'SHAUGHNESSY

WITH THE Venezuelan Congress expected to approve in the next few weeks new Government borrowing powers of up to $5bn. over the next five years, City financial institutions are this week making a determined bid to attract Venezuelan business to London.

The Committee on Invisible Exports is currently entertaining a 10-man mission of Venezuelan financial leaders headed by Sr. Carlos Rafael Silva, vice-president of the Central Bank of Venezuela. The mission which returns to Caracas at the beginning of next week has had talks with Mr. Gordon Richardson at the Bank of England and visited the leading financial and trading institutions in the City. The visit follows a mission of the City of London headed by Mr. Richardson which visited Caracus last year.

The promulgation of the new borrowing powers for the Government is likely to lead to big "tidying up" operations on the unco-ordinated foreign borrowing of public sector companies and the beginning of big new foreign borrowings to finance Venezuela's development to 1980. The five-year development plan to 1980 calls for government spending of $24.4bn. and private outlays of $16.3bn.

The increased order being imposed on public sector borrowing by the Bill now going through Congress comes in the wake of a decision by the Government last month to convert the Fondo de Inversiones de Venezuela (FIV), the Venezuelan investment fund, into a holding company with powers to oversee and manage the financial affairs of the country's numerous state corporations.

The decision of the FIV to start operating itself on the London capital market—either on its own or in partnership with banks already established in London—has been delayed by the reorganisation in Caracas but according to Venezuelan mission sources, the idea of the FIV setting up in London has not been abandoned. At present, two private sector Venezuelan banks have offices in London.

Ford may veto Israel aid

BY JUREK MARTIN

WASHINGTON, June 23.

A DELEGATION of senior Congressmen is due to meet President Ford this afternoon to thrash out the thorny matter of aid to Israel.

The session has been called following the emergence of the latest White House offer, which would provide Israel with a total of $200m. in aid for the so-called "transitional" quarter running from July to September. This aid would be made available only if Congress agreed to authorise a further $176m. in assorted assistance to Arab nations.

Israeli advocates on Capitol Hill, who have been debating this issue for most of the year, contend that the offer is nothing like enough.

THE CHILEAN ECONOMY

Social costs of deflation

BY HUGH O'SHAUGHNESSY, RECENTLY IN SANTIAGO

THE POLICY of the Chilean junta of sacrificing all to the cause of cutting the budget deficit, and thereby controlling inflation, has turned out to have had a much more serious effect on output and the living standards of its people than was ever forecast officially. Not only that, but the rate of inflation, though less than it was, is still far from being under control.

Such are the inescapable conclusions of a comparison between the forecasts the junta was issuing late last year and the facts as presented this month by Sr. Pablo Baraona, the President of the Central Bank. The poor economic showing of the junta must be among the reasons for its decision to ban from Chile staff reporters of the major Western media, the New York Times, the Washington Post, Time, Newsweek, Le Monde, Agence France-Presse, Bavarian Television—and henceforward the Financial Times. Against a government forecast last year of a drop in the GNP of 5 per cent. it in fact fell by 12 per cent., according to Sr. Baraona.

The output of manufacturing industry, as documented in the Central Bank's Monthly Bulletin for May, dropped 23.5 per cent. in 1975. The industrial production index referring to "miscellaneous manufactures" which in 1969 stood at 100 fell at one point last year to 49.7 and the "transport materials" index to 40.1. Motor production which in 1972, the last full year of the Allende administration, reached 26,613 units, last year totalled 7,809 units. Cement production which in March 1975 came to 112,000 tons went no higher than 61,000 tons in February of this year, output of glass fell even more heavily in the period, from 241,000 square metres to 69,000 square metres.

Foreign investment during the junta's term has been plainly disappointing, especially since liberal new rules were expected to bring in large new flows of money. Sr. Baraona quoted a figure of $340m. of which about 20 per cent. represented reinvestment of profits by foreign investors already established in Chile.

With a good deal of help from the U.S. in the form of direct credits from Washington and funds from the U.S. controlled Inter-American Development Bank and from the World Bank and the International Monetary Fund the external sector has not done badly.

With U.S. help and funds from the international institutions Sr. Baraona is confident that he will be able to face his creditors this year without seeking the sort of refinancing operation which attracted such adverse publicity to the regime last year in the Paris Club when various European countries, including Britain, refused to agree to easy terms for the junta.

> For the Chilean in the street, this third winter of junta rule has brought grimmer living conditions than ever.

Thanks to the massive investments made in the copper industry during the Frei and Allende periods the junta has, despite its complaints about the low international price of the metal, been doing well out of copper exports. Copper brought in $834.5m. in foreign exchange last year and if this was only about half the record $1,550.6m. earned in 1974, it was well above the $618.2m. which Chile received in 1972, the last full year of Allende rule.

A big slice of these earnings appears to have gone on arms purchases or compensation to foreign companies nationalised by Dr. Allende, while many foreign creditors have been kept waiting for their money.

For the Chilean in the street, however, this third winter of junta rule has brought grimmer living conditions than ever. The official unemployment rate across the board came to 17.6 per cent. in the first quarter of this year, up 1.1 per cent. on the previous quarter.

Among manual workers 23.5 per cent. were workless, against a small increase over the previous quarter's. In the building industry, the hardest hit of the major industries perhaps 40 or 50 per cent. of the workforce is idle. Under Pinochet, as in Allende's or Frei's time, the official unemployment statistics err on the optimistic side and the real situation is even grimmer than it appears at first sight. The government's Minimum Employment Programme is able to help only a fraction of the unemployed.

At the same time inflation, though less fierce than it was in the first year after the coup, is roaring away at about 250 per cent. a year and the peso has been devalued 16 times already this year.

The lot of the poorer Chileans is pitiable. In Greater Santiago the Catholic church is running 247 soup kitchens which give 23,876 children one square meal a day, but the organisers reckon they could distribute many times that many meals and still not solve the city's problem of malnutrition. There are few soup kitchens to serve the 70 per cent. of the population who live outside Santiago.

The recession in Chile has, however, been of such magnitude that the middle class as well as the working class, has suffered badly.

Diplomats in Santiago report that the stream of people who sought to escape from Chile for political reasons in the first two years after the 1973 coup has been augmented now by middle class people, who might have hailed the coup as a deliverance, seeking to make better lives for themselves abroad. Chile is again in danger of losing some of its best brains. Among the few who have positively benefited economically from nearly three years of military rule have been a few groups of entrepreneurs, universally known by such names as "the Piranha Fish," "The Crocodiles" and "the Sharks" who have been able to lay their hands on sufficient funds to take over some of the many bankrupt businesses, strip their assets or otherwise rationalise them.

It will obviously take a great deal of time for the Chilean economy to climb out of its catastrophic depression. The authorities forecast that the economy will grow about 6 per cent. this year helped perhaps by another increase in the world copper price. But this will not, of course, put it back to 1974 levels.

The one member of the Chilean establishment whose prognoses have so far proved most accurate and who himself seems closer than any other senior officer to the feelings of the average Chilean is the Air Force member of the junta, General Gustavo Leigh.

Last year he forecast tough months ahead, and wondered whether the "social cost" of the junta's policies was justified. The record can only have reinforced his anxiety.

THE FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription $[illegible] (air freight) $[illegible] (air mail) per annum. Second class postage paid at New York, N.Y.

OVERSEAS NEWS

Fierce factional fighting resumes in Beirut

BY IHSAN HIJAZI

BEIRUT, June 23.

CTIONAL fighting resumed earnest to-day in the th-eastern suburbs of the anese capital while the istian and Moslem residential ricts have been heavily lled for the second day rung.

he clashes are between istian Right-wing forces and Palestinian guerillas and ir Left-wing Moslem allies. have centred mainly around Palestinian refugee camps, al Zaatar and Jisr al Oasha, ich are located inside a istian controlled enclave.

oth sides accused each other starting the fighting, with the estinians and Left saying that ir forces have repelled an all-Right-wing offensive to upy the two camps. They the Right-wing had massed force of 4,000 men and 100 itary vehicles, including ks, to storm the Palestinian itions.

imultaneously, artillery and rtar shells, as well as surface-surface rockets, fell on the idential areas inflicting nage and casualties. Police rces put the number of ualties in the past 24 hours about 100 dead and twice that ny wounded.

he fighting also spread to the ntown business centre and port area in the sea front.

he Left-controlled "Lebanese ab Army" joined in shelling ht-wing positions, while a ht-wing faction of the army pounded Moslem districts with field artillery.

The fresh outbreak of Moslem-Christian hostilities which began yesterday morning came only 24 hours after the arrival here of the 1,000-man joint Arab force.

Syrian troops stationed at Beirut Airport have returned to Damascus in triumph, Reuter reports from the Syrian capital. Some of the troops, who have been replaced in Lebanon by joint Arab peace-keeping forces, opened fire in the air in joy as they passed through the capital, a Government statement said. A spokesman reiterated yesterday that Syrian troops had not opened fire in Lebanon since they were ordered to stop shooting on June 8. He was commenting on a claim by a pro-Left Beirut radio station that Syrian forces yesterday shelled the summer resort of Bhamdouw, on the road to Damascus, for three hours.

The contingent, formed of Syrian and Libyan troops, replaced the entirely Syrian battalions stationed at Beirut airport and the southern suburbs of Beirut.

The airport resumed activity to-day after a two-weeks closure. Airliners, including two jumbo jets, of Middle East Airlines, Lebanon's main air carrier, were due to arrive from Athens to-day. The company hopes to resume full flights from to-morrow.

Maj. Abdel Salam Jalloud, the Libyan Premier who came here from Damascus last night to supervise the application of the new agreement between Syria and the Palestinians, was reported to have encouraged the early reopening of the airport so it may receive the rest of the proposed Arab League force.

Arab League secretary-general Mahmoud Riad said in Cairo last night that troops from Sudan, Saudi Arabia and Somalia will proceed to Lebanon soon.

Major Jalloud, who has been engaged in intensive talks with Palestinian and Left-wing leaders, has also been in contact with Syrian President Hafez Assad to urge him to bring pressure on the Lebanese Right to halt their attack against Tal al Zaatar and Jisr al Basha camps. He was reported to have warned that large-scale fighting could erupt which would plunge efforts at a settlement of the Lebanese crisis into complete deadlock.

What Palestinians and Left-wingers have described as further political escalation was the message sent last night by Christian Maronite leaders under President Suleiman Franjieh to the Syrian, Egyptian, Saudi and Kuwaiti premiers who were to meet in the Saudi capital, Riyadh, to-day. The message warned that if the intervention here by "the Communist-Palestinian alliance," is not stopped the Maronites will ask for outside military assistance.

More Arab troops on way to Lebanon

CAIRO, June 23.

RE Arab peace-keeping ops are on their way to banon, the Arab League nounced to-day. The international peace-keeping force uld eventually number about 00, an official of the pan-Arab anisation said.

Arab League Secretary-neral Mahmoud Riad said Sudanese troops were being air-lifted to Syria on their way to Lebanon. A Somali force of about 100 men is also to be sent.

The first contingent of the peace-keeping force, from Syria and Libya, reached Beirut two days ago and is stationed near the city's airport.

The decision to form the force was taken two weeks ago by Arab Foreign Ministers meeting in Cairo.

Mr. Riad to-day gave Arab ambassadors a progress report on moves to form the force. After the session he said that the envoys were given a report on the military measures taken so far, the proposed size of the force, its logistics and financing.

Egypt and Syria open conference in Riyadh

RIYADH, June 23.

THE PRIME Ministers of Egypt and Syria arrived here to-day for a conference aimed at clearing the way for a Lebanese settlement and restoring a unified Arab stand against Israel.

Mr. Mamdouh Salem of Egypt and Mr. Mahmoud al Ayoubi of Syria will be joined at the conference table this evening by the Saudi First Deputy Premier, Crown Prince Fahd, and the Kuwait Foreign Minister, Sheikh Sabah al Ahmed.

Kuwait and Saudi Arabia have for several months been mediating between Syria and Egypt, who fell out after Egypt signed an interim peace agreement with Israel last September. But these issues have been overtaken by the civil war in Lebanon, and both sides now agree that Lebanon will be at the top of their agenda.

The Prime Ministers were originally due to meet here two months ago, but the conference was postponed at the last moment because of differences over the agenda.

To-day they will have before them a previously agreed working paper prepared by Saudi Arabia and Kuwait. No details of the paper have been revealed, but the Saudi Foreign Minister, Prince Saud al Faisal, has said that the conference would discuss ways of achieving joint Arab action.

Saudi Arabia and Kuwait are confident that the conference will end the war of words between Cairo and Damascus, observers said, but any meaningful agreement would have to be reached at a summit meeting.

There has been speculation that if the conference were a success Presidents Sadat of Egypt and Assad of Syria would fly in for a meeting. Reuter

Nationalisation of Australian steel industry raised at inquiry

SYDNEY, June 23.

NATIONALISATION of Australia's steel industry or a European Economic Community-style authority to co-ordinate growth were discussed at the opening of a Government inquiry into Australia's iron and steel industry.

In the hot seat is Australia's monopoly steel producer, Broken Hill Proprietary Ltd. (BHP), which has contributed to virtual domestic self-sufficiency in steel production.

The inquiry, which is expected to last six months, was initiated by the former Labour Government to ensure that Australia can be guaranteed a strong and healthy steel industry.

Soon after the inquiry got underway in Melbourne, Industries Assistance Commission's (IAC) presiding commissioner, Mr. R. Boyer, suggested: "It may be we are approaching the time when national interests do not coincide with the company's interest."

He pointed out that BHP, as Australia's biggest industrial company, was making profits on operations other than steel production. However, the largest proportion of its assets were in steel making, which tended to be a "political football."

Suggesting that the company's shareholders may be better served if BHP concentrated on non-steel investments, Mr. Boyer questioned: "Is BHP now really the company that should be developing our steel resources."

BHP managing director, Mr. J. C. McNeill, said his firm had not the slightest intention of walking away from an industry in which it had invested nearly $A2bn.

He said BHP still offered the most economical way to develop the steel resources, despite BHP's loss in its steel operations of $A26.6m. in the six months to November of last year. He added that action taken by the inquiry could, however, help attain viability and the company intends also to reinvest in the steel industry.

Mr. McNeill promised to give some thought to Mr. Boyer's proposition that: "A steel authority comparable to that which exists in Europe" could help co-ordinate growth of the industry.

The prospect of a jumbo steel plant in Western Australia, under active consideration by BHP and a consortium of international steel producers, was also discussed as an alternative future course.

Mr. McNeill said a study completed last year on the $A3bn. plant proposal, to produce 10.7m. tons of steel annually, showed that some of the foreign participants, such as the Japanese, could obtain cheaper steel by expanding their own existing operations. This situation could change in the near future, he said, and it will be reviewed early next year.

However, BHP indicated that if steel-plant expansions were carried out, only about 15 per cent. of output would be aimed at export markets. Mr. McNeill said a plant based on a 70 per cent. export margin could not be considered by the firm because of volatile export prices.

BHP said returns from steel exports were generally lower than those received from domestic sales.

In response to a questionnaire from the IAC, BHP submitted a 2,000-page report which detailed the type of assistance the industry needed and future prospects for growth. AP-DJ

South African reaction hardens

JOHANNESBURG, June 23.

PEACE returned to the riot-torn Black townships around Johannesburg to-day as fresh signs of a hardening Government attitude towards rioters emerged in Parliament.

In a series of statements and Parliamentary replies yesterday, Police and Justice Minister Mr. James Kruger claimed that the enforced use of Afrikaans in schools had not been the cause of the student unrest which sparked the violence.

"It was the minority tsotsi (gangster) element which caused the trouble," he said. "The majority of black people are grateful for what the Government is doing to uplift them."

He told a questioner that he was investigating the possibility of a return to tribal justice, which includes public floggings, in the townships.

"It is perhaps time to ask these people (the black township dwellers) to deal with their own people," Mr. Kruger said.

Political observers noted that in all Ministerial statements issued since the anti-Government riots started in the Soweto township one week ago there has been no mention of the social conditions which led to the unrest.

An official of the West Rand administration board estimated to-day that it would take five years and R30m. (£20m.) just to restore the township of Soweto, where the trouble began last Wednesday.

Only one comparatively minor incident was reported. Black students at a high school in the Jouberton township near Klerksdorp, 95 miles south-east of Johannesburg, rioted while they were taking examinations in several subjects, including Afrikaans.

Police were stoned and they fired warning shots over the heads of the rioters. A police spokesman said later that there were no casualties and all was quiet by lunchtime.

Rioting erupted last week over enforced teaching in Afrikaans in black schools.

Reuter

● The Australian council of trade unions executive to-day imposed a month-long ban on Australian trade with South Africa as a protest against the recent racial violence there. UPI reports.

Mercenary trial verdict delayed

THE ANGOLAN court trying 13 white mercenaries, who face a possible death sentence for their role in the former Portuguese colony's civil war, yesterday delayed its decision on the case, Reuter reports from Luanda.

The presiding judge Ernesto Teixeira do Silva said at the end of the court hearings last week that he expected to pass the sentences by the middle of this week. But there was no word from the judges yesterday and Angolan officials limited their comments to saying they expected the sentences to be announced no later than next Monday.

Guerillas killed

Seven Black nationalist guerillas have been killed by Rhodesian troops, bringing the total so far this month to 115, an official communiqué said yesterday according to a Reuter report. The communiqué added that two African local government officials reported missing in early May were killed by guerillas.

Mao's health

A Vienna neurologist who has given advice on Mao Tse-tung's health is visiting Peking and may be involved in treating the Chinese leader, medical sources told Reuter in Vienna yesterday.

Gulf meeting

Foreign Ministers of eight Persian Gulf states will meet soon to discuss a joint security arrangement for the waterway, the newspaper Ayandegan said yesterday, AP-DJ reports from Tehran. The report said the Ministers would gather in Muscat, Oman, and arrange for a summit meeting of heads of state.

ON OTHER PAGES

EGYPT'S ECONOMIC REFORMS

Down to serious business

BY RICHARD JOHNS, MIDDLE EAST EDITOR

NEXT MONTH Egypt embarks on a programme of economic stabilisation designed to rectify the fundamental distortions in the economy, lay the basis for long-term recovery and narrow the country's yawning balance of payments deficit. Involving a "managed float" of the currency, the reform might at first sight look like a further liberalisation and that is how many Egyptians, only scantily informed of the details, have been led to regard it.

In future, they will be able to buy, sell and own foreign exchange. No longer should tourists be furtively accosted on Cairo's pavements by black market operators offering a considerable premium on their notes and travellers' cheques. In theory at least, a new "commercial exchange rate" should subsume the black market rate.

From one point of view the reform worked out by Dr. Zaki Shaffei, Minister of Economics, with the International Monetary Fund constitutes a step towards the convertibility of the Egyptian pound. More essentially, however, it should amount to a dose of strong medicine prescribed by the IMF almost as a condition for the continuation of aid from the surplus Arab oil producers which, since the end of 1973, has salvaged Egypt's economy. They have clearly given notice of their reluctance to continue pouring money into what has looked more and more like an open drain. From the October War of 1973 until the end of 1975 they provided something approaching $3bn. to enable the country to balance its payments. The extent of their assistance is understated by the "unrequited transfers" in the accompanying table.

Last year Saudi Arabia and Kuwait placed on deposit with the Egyptian Treasury for a period of five years (at an interest rate one point below the commercial rate) over $1bn. It was the crucial factor in the monetary movement. The cash allowed Egypt not only to cover its payments deficit amounting to the equivalent of £E400m. after the receipt of grants (including the war aid agreed at the Rabat summit in 1974) but also to reduce its expensive borrowing from the commercial banks.

With increased earnings from oil and the Suez Canal dues, a significant improvement in the balance of payments is expected this year. But Egypt's obligation on its civilian debt which reached £E2.7bn. (nearly $7bn.) last September is about £E600m.—notably because of the large amount of short-term commercial bank credit outstanding and the commitment to run down the amount used from last year's figure of £E700m. to £E540m. in 1976.

The fact that the assistance was given in the form of an interest-bearing deposit in itself denoted a harsher attitude on the part of the donors. This year, meanwhile, they have so far offered very much less than Egypt has sought and will need if it is to pay its way in 1976. President Sadat's tour in February yielded $750m. from Saudi Arabia, Kuwait, the United Arab Emirates and Qatar. Subsequently, Ministers of the four met in Rabat to discuss the establishment of the consolidation fund, but only agreed to provide $2bn. over five years rather than the $7-11bn. asked for.

Another equally problematical factor could be Egypt's approach to a Middle East peace settlement and compliance with the pan-Arab consensus. Financial incentives are very directly related to the current Saudi-Kuwait initiative to reconcile Egypt and Syria.

The immediate aim is to start the reduction of Egypt's perennial and ever-increasing trade deficit to bring about a much closer equilibrium on visible account by 1980. Last year it widened to £E1.07bn. ($2.75bn.) with imports covering only 36 per cent. of exports. An encouraging surplus on the services account as a result of receipts from the Suez Canal from the beginning of the last year and larger remittances from expatriate workers only cut it back by one-tenth. It is calculated that the forthcoming change in the exchange rate system (date of introduction has yet to be announced) will curb imports by assessing the value in Egyptian pounds of the bulk of Egypt's purchases from abroad (and the tariffs on them) at a more realistic exchange rate.

The new commercial market will replace and greatly expand the parallel exchange market set up in 1973 to make a certain amount of foreign currency available at a premium, primarily to the private sector to assist in playing a bigger role on economic recovery. Certain export receipts were allocated to the market but applications for imports through it have been subject to approval and are tightly controlled.

The country's outlay on goods and services through the new month amounted to 7.5 per cent. of the total. Tourism and construction were reckoned to have benefited from the system, but over all demand was much heavier than supply. The current buying rate on the parallel market is 67.4 piastres to the pound (compared with the official one of 38.7).

The new commercial rate is expected to be settled initially at about that level. However, it will apply to all imports except for 18 essential commodities such as wheat, maize, sugar, edible oils and meat. The range of goods covered will be very wide, accounting for about £E800-900m. of last year's purchases from abroad. The fact that tariffs will be levied at the new rate will not only tighten consumption but also produce extra revenue, thus lowering the budget deficit.

As for export transactions, only cotton, rice and crude oil and petrolelum products will be sold at the official exchange rate. In contrast to the parallel exchange rate market experiment Dr. Shaffei acknowledges that the change will amount to a "selective devaluation." The IMF in its purism would probably have liked a full devaluation but accepted that sales of these products, accounting for half of all exports last year, would not benefit as a result. Also, at the present stage it would be impossible for Egypt to pay a full realistic price for the essential commodities.

More foreign exchange resources will be ear-marked for the commercial market. But the management will have to be very close.

Dr. Shaffei said in an interview last month that a fund of only $250m. was set aside to support the rate, which he evidently would not like to rise above 70 piastres to the dollar.

The IMF is to provide $77m. in the form of compensatory credit and another $125m. in the form of a stand-by while U.S. banks were expected to lend another $50m.

The plan is that the Ministry of Economy, which will supervise the float will only intervene to "iron-out fluctuations," says Dr. Shaffei. Beyond that control will be exercised by switches in transactions permitted on an "open general licence" and changes in tariffs. Public sector imports will continue to be controlled by changes in tariffs. In addition, the whole operation will probably have to be backed by tighter credit controls.

Dr. Shaffei will be helped by two experts on secondment from the IMF and Denmark but some foreign bankers are dubious whether the personnel is available for the constant manipulation which may be necessary. More serious, however, may be the inflationary impact particularly on the middle classes whose living standards have already been seriously eroded in the past two years. Whatever the pressures placed on it, Egyptian industry is unlikely to absorb the extra cost of imports of raw materials and intermediates.

BALANCE OF PAYMENTS (£Em.*)

	1972	1973	1974	1975
Trade balance	−205.5	−261.3	−703.6	−1,078.3
Exports (f.o.b.)	353.7	396.3	653.9	612.8
Imports (c.i.f.)	−559.2	−657.6	−1,357.7	−1,691.1
Services (net)	3.0	2.7	66.2	109.7
Receipts	134.1	166.4	277.6	422.5
Payments	−131.1	−163.7	−211.4	−312.8
Unrequited transfers	128.2	289.0	509.9	421.3
Current balance	−74.3	30.4	−127.5	−547.3
Capital transactions (net)	56.4	−31.9	−77.6	153.3
Long-term loans, net	39.5	15.5	−66.8	129.3
Suppliers credit, net	19.2	−46.2	−4.5	32.2
Others, net	−3.3	−1.2	−6.3	−109.6
Errors and omissions (net)	−3.2	−3.9	−4.9	−9.6
Allocations of SDRs	9.4	—	—	—
Overall balance	−16.8	−5.1	−200.8	−403.6
Monetary movements	11.7	5.4	191.6	403.6

Minus = increase in assets. * £E = $2.55 (official rate).
Source: Central Bank of Egypt and the IMF.

EEC plans for Puerto Rico are frustrated

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT — BRUSSELS, June 23.

PLANS FOR the European Community to send its own representatives to the seven-nation economic summit in Puerto Rico next week-end have been abandoned because of the failure to resolve a largely procedural dispute between France and the smaller EEC countries.

The deadlock has dragged on through ten days of discussions at various levels between member-Governments, and the matter was finally shelved after a vain last-ditch attempt by the Nine to reach a compromise in the corridors of the Ministerial Meeting of the Organisation for Economic Co-operation and Development in Paris yesterday.

The abortive outcome has been greeted with undisguised disappointment both by the EEC Commission in Brussels and in Luxembourg, where Prime Minister Gaston Thorn had been hoping to crown the closing days of his presidency of the EEC Council of Ministers by attending the Puerto Rico talks.

A spokesman for the Commission, whose president, M. Francois-Xavier Ortoli, had also been hoping to attend, formally expressed its regret this morning. He added rather lamely that the Commission expected the four big EEC countries present to take account of Community interests at the "summit."

It is expected that several of the smaller countries, and notably Denmark, will move to have the whole question of Community representation at Puerto Rico-type meetings raised at the next "summit" of EEC Heads of Government on July 12 and 13. But the extent to which they press the point will probably be influenced by what transpires at next week-end's meeting and by how fully the big countries are prepared to represent their interests there.

At a meeting in Luxembourg last week, representatives of all four big countries assented to plans to send Messrs. Thorn and Ortoli to Puerto Rico. But this agreement later foundered on whether such a step should be regarded as setting a precedent for future big power economic summits.

Denmark and Holland, with tacit support from Ireland, Belgium and Luxembourg, argued strongly that the EEC Heads of Government should be called on to discuss formal arrangements governing Community representation at such meetings when they convene next month.

But this proposal was resisted strongly by France, which insisted that EEC Heads of Government should enjoy the maximum amount of flexibility at their regular summit meetings and that there was no question of their being committed in advance to a specified course of action.

In the end, the smaller countries apparently decided that without a commitment by all of the Nine to discuss Community representation in the future the presence of the two EEC officials at Puerto Rico would amount to little more than symbolism.

U.K.'s EIB loans doubled

BY OUR OWN CORRESPONDENT — BRUSSELS, June 23.

BRITAIN'S BORROWINGS from the European Investment Bank more than doubled last year to £186.5m. (334.5m. units of account) and accounted for more than one third of all the disbursements made by the Bank inside the EEC during 1975.

The loans were made available entirely to finance projects in economically less - developed regions of the U.K., chiefly Scotland and the North East, and the bulk of the funds was assigned to projects in the energy field, including development of the North Sea and the construction of nuclear power stations.

Britain's 36.5 per cent. share of EIB loans was exceeded only by that of Italy, whose borrowings rose 29 per cent. to 358.8m. units of account, or almost 40 per cent. of all EIB financing granted inside the Community.

France held third place with 17 per cent. of the Community total, while Ireland, Denmark and Belgium together accounted for a mere 7.2 per cent. No loans at all were made in Germany, the Netherlands and Luxembourg.

Italian elections analysed

BY ANTHONY ROBINSON — ROME, June 23.

TWO WEEKS before formal political life in Italy resumes with the opening of the new Parliament on July 5, the political parties are getting down to the task of analysing the election results and their future strategies.

The Republican Party's central committee met this morning and expressed its concern over the reduced weight of the minor parties in the new Parliament, although it noted that the Republican Party itself was the only minor party to hold its ground.

The 33-man "Politburo" of the Communist Party (PCI) met this evening to examine the new situation arising out of its spectacular 7.3 per cent. electoral gain, which gave it 48 more seats in the Chamber of Deputies and 22 in the Senate, and narrowed the gap between it and the Christian Democrat Party substantially. In the last Parliament the Christian Democrats had 87 more seats than the Communists in the Chamber of Deputies: in the new Parliament this gap has been narrowed to 36.

No communique is expected to-night, but the PCI is expected to restate formally its proposal for the formation of a broadly - based Government, although in an interview with the Corriere della Sera newspaper to-day party Secretary Sig. Enrico Berlinguer said that the party was in no hurry to enter a Government, and intended to wait for the proposals put forward by the Christian Democrat and Socialist parties before taking any decisions.

But one of the ways in which the Communist Party might use its increased electoral weight is by demanding a Parliamentary prestige post such as the Presidency of the Chamber of Deputies, and it will certainly demand a greater weight in the 14 Parliamentary committees which effectively draft legislation.

But it is the Socialist party leadership, meeting to-morrow, which faces the most difficult post-electoral situation. The party failed to consolidate the gains it made at the regional elections last year, and has to discuss the resignation of the party's Vice-Secretary, Sig. Giuseppe Mosca. He has called for the resignation of the entire executive committee, in order to facilitate a profound re-thinking of party policies, methods and leadership.

Other Socialist leaders are trying to reduce the element of drama in the situation, but the Party leadership clearly faces a very difficult decision over its future participation in government with the Christian Democrats. Before the elections it refused to resurrect any form of Centre-Left coalition.

The Christian Democrats, under Party Secretary Sig. Benigno Zaccagnini, are due to meet later this week to discuss their own healthy showing at the elections, where they regained all the ground lost in last year's regional elections. The CD Party has emerged not only with its electoral support intact, but also with a substantial number of new faces. Indeed 88 of its 263 deputies in the new parliament are new men elected for the first time. The proportion is higher in the senate, where 75 out of 135 are new entrants.

French capital gains Bill approved

By Rupert Cornwell

PARIS, June 23.

BY 256 VOTES to 197, the National Assembly this afternoon approved on a first reading the Government's draft Bill for a capital gains tax—thus bringing to a close the most tumultuous Parliamentary debate in recent French history.

At the end of the day only 14 Deputies (mostly Gaullists) supporting the ruling coalition sided with the Opposition. The next hurdle for the Bill is the Senate, which is expected to start its deliberations early in July. But the worst from the Government's point of view is almost certainly over.

Now that the dust is settling after a struggle that at one moment provoked a serious political crisis it is possible to tot up a score card. And although the tireless efforts of Finance Minister Jean-Pierre Fourcade and M. Jacques Chirac, the Prime Minister have cut back the damage in the last few days, the amended proposals are even more modest than those made public on April 20.

According to M. Fourcade, the net extra revenue to the Treasury will be Frs.500m. (£58m.) in a full year instead of the Frs.1.1bn. hoped for at the start, to add to the Frs.700m. raised by the existing gains tax on certain property transactions.

During the three weeks of debate 375 amendments were discussed and 70 adopted. However in a final Tuesday night marathon the Finance Minister managed to wrest back several sizeable concessions and produce a compromise acceptable to both the Government and to its reluctant, but resigned, troops.

Unhappiest of all with the outcome is the Paris Bourse which had been banking on the Gaullist rebels to hold out and force the whole nasty idea to be shelved.

The modifications to the initial scheme generally favour the little man, by raising allowances before gains become liable for tax and by reducing the period for which goods must be held before escaping altogether. Allowances for property gains for example go up to Frs30,000 (£3,600) from Frs10,000 and on other personal assets to Frs20,000.

However, the general threshold beneath which no tax will be levied goes up only to Frs6,000 from Frs3,000 instead of the Frs10,000 for which the Deputies had been holding out. Meanwhile the Napoleon coin, the favourite talisman of gold hoarders, will after all be liable to the flat 4 per cent. tax on dealings on the metal.

The other major alterations are more technical. Only Government and certain index bonds will be exempt, instead of all debentures as M. Fourcade was seeking. But he beat off pressure to make capital losses deductable in property transactions and also to index allowances to retail price increases.

Azevedo stricken by heart attack

BY OUR OWN CORRESPONDENT — LISBON, June 23.

PORTUGAL's Prime Minister, Admiral Pinhmeiro de Azevedo, was battling for his life this evening after suffering a heart attack while campaigning for the Presidency.

The Admiral collapsed at the end of a Press conference in the nothern city of Oporto marked by acrimonious exchanges which have been the hallmark of his election campaign.

The heart attack was considered likely to diminish even further Admiral Pinheiro de Azevedo's already slim chances of winning Sunday's Presidential poll.

Should he die without his name being removed officially from the list of candidates beforehand, Article 30 of the Election Code requires the President, General Costa Gomes, to cancel Sunday's vote and fix a new date.

In any case, the blow dealt to the Admiral's campaign is thought likely to increase outdiminishing prospects of a first round victory on Sunday for the leading contender, General Antonio Ramalho Eanes, the army chief of staff.

The likely cessation of campaigning by Admiral Pinheiro De Azevedo was also expected to improve prospects of a good performance by Major Otelo Saraiva de Carvalho, whose own bid for the Presidency has been gathering considerable steam in the closing stages.

A hospital bulletin issued six hours after the Admiral collapsed said he was still unconscious in the intensive care unit of Oporto's Sao Joao Hospital.

The heart attack came shortly after the Prime Minister climbed into his car after a Press conference which ended with him threatening one reporter: "Watch out or I'll do you over."

Mrs. Suzana Pinheiro De Azevedo gave her husband mouth-to-mouth resuscitation as he was rushed to hospital where doctors said he had suffered an infarctus of the myocardia—blockage of the muscular part of the heart.

Admiral Pinheiro De Azevedo has a history of heart trouble, having suffered two attacks in the past.

Last November, when his official residence was besieged by thousands of striking construction workers he was ordered by doctors to rest for a week.

The 59-year-old Admiral became Prime Minister at the head of the Sixth Provisional Government in September last year, succeeding pro-Communist General Vasco Goncalves.

Dubbed the "Admiral without fear" by the parties supporting his premiership, Admiral Pinheiro De Azevedo successfully withstood a political onslaught by the Communists and far left groups which culminated in the November 25 coup attempt.

The two biggest parties in the Government, the socialists and the popular democrats, refused however, to back the Admiral for the Presidency, throwing their support behind General Ramalho Eanes, who co-ordinated the military crushing of the November uprising.

Admiral Pinheiro De Azevedo elected to run as an independent, launching bitter attacks on Gen. Ramalho Eanes and accusing him of preparing for a right-wing dictatorship.

The General's aides responded by questioning the Admiral's "mental lucidity."

Pinheiro De Azevedo became Navy Chief of Staff shortly after the coup which ended the old dictatorship

The Admiral, who ordered Marines into action in support of the April 25 coup, served as a member of the Junta of National Salvation set up shortly after the uprising under General Antonio de Spinola.

Portugal has lost count of its colonial refugees. **Paul Ellman** reports

An African inheritance

THE SOUSA family have now been living eight months in a grubby second-class hotel near Lisbon's main square, the Rossio. Home for Joao, Maria and their four children is an 11 by 8 feet room courtesy of a Government which has no idea of when or how it will ever be able to resolve their problems—or those of hundreds of thousands of other refugees who have poured into Portugal from its former African colonies.

Decolonisation was born with the coup which ended 50 years of right-wing dictatorship on April 25, 1974, its instigators officers wearied by the apparently endless African wars.

Their goodwill has reaped a vast harvest of bitterness and human suffering. Nobody knows how many refugees there are in Portugal. The pitifully ill-equipped State apparatus lost count when they passed the 600,000-mark, and the last official estimate was that their numbers were now well above 800,000.

They came first from Mozambique in the panic which followed independence for the East African colony. But the majority fled from the civil war in Angola, the one Portuguese territory which had come anywhere near to economic development.

The Sousa family were among those who fled from Angola, along with almost 90 per cent. of the refugees so far. Although the Portuguese Left has attacked the *retornados* as colonial exploiters undeserving of sympathy, their life in Luanda was far from the lotus-eating luxury normally associated with the colonial life.

Joao ran a small furniture-making business. "At least we had something, compared with nothing now," says Maria as she sits in the hotel room whose walls have been decorated with family photographs and a picture of the crucifixion, in an effort to make it more homely.

Life for the family is a round of unremitting tedium, dominated by queuing for meals grudgingly served by an hotel management which had no objection to the Government's refugee subsidy during the slack winter season but which would now rather see its rooms occupied by tourists.

The Government, too, worried by the rapidly growing balance of payments deficit, would like to see the hotels filled with tourists. Time and time again it has served notice that refugees will have to be out of the hotels by a certain date. The last deadline fell on Sunday, June 20, but nothing happened. Violent resistance by refugees on previous occasions taught the Government that there were no easy remedies, particularly when the country is in the middle of a Presidential election campaign.

But, despite the drabness of their life, the Sousas rank among the lucky ones, the "privileged minority" as Sen. Rui Machete, the Social Affairs Minister, terms the refugees who are housed in hotels.

Barracks

Only some 50,000 have been found hotel accommodation. The rest have been forced to fall back on the generosity of their families, or have found themselves in make-shift camps created in old army barracks and convents or, in two cases, inside redecorated prisons. The 50,000 and currently absorbing more than half the $30m. a month the Government has to find for its refugee support programme. Finding the money is far from easy: the Government already owes $24m. to restaurants for refugee meals.

The Government would like to provide 10,000 housing units a year for the refugees, but so far the only help it has received in this direction has been from Norway's Government and churches, and from the Dutch Government. The only cash aid which has been pumped into the refugee programme, and this barely enough to keep it afloat, has come from the U.S.

In an interview, Sen. Machete said Portugal was now "saturated" with refugees, and expressed his fear that it could take years before they are settled. Settling them will in the end not depend on Portugal's capacity to provide them with housing. Without allowing for the refugees, Portugal, with a total population of some 9m. people, is already heading for an unemployment total of 1m.

Of course, the country has historically suffered from lack of employment, and emigration to the colonies long provided a safety valve. The flight of the *Retornados*, however, coincided with the international recession which closed the traditional escape routes from the drudgery of local life to the factories and building sites of France and West Germany, and to the break-neck expansion of Brazil.

Emigration produced a net decline in Portugal's population of 3 per cent. between 1962 and 1970, with Paris becoming, after Lisbon, the most Portuguese city in the world. Finding jobs for unskilled Portuguese, no matter how willing they are to take on the dirtiest or most menial jobs going, has become an almost insurmountable task.

The Lisbon authorities have, in desperation, turned to a foreign firm of job consultants which receives a bounty for every job it finds abroad for a Portuguese worker. This, however, is likely to prove little more than a drop in the ocean, since few of the refugees fit the bill as far as overseas employers are concerned. An estimated 70 per cent. of those who fled from Angola worked in the bloated service sector of that territory's economy as it went through a minor boom shortly before the 1974 coup in Portugal.

According to a survey conducted by the Social Affairs Ministry, only 4 per cent. have any experience of agriculture, at a time when just about the only opening being offered is for farmers to work on virgin lands in Latin America.

Given the desperation of their plight, it is perhaps surprising that the refugees' bitterness has failed to spill over into the politics of metropolitan Portugal, though efforts have been made to mobilise refugee votes, the latest being the formation of a crudely right-wing party, the Independent Social Centre (CSI) and the fielding of a *retornado* candidate for the Presidency, Snr. Wenceslau Pompilio da Cruz.

Retornados

The candidacy was subsequently declared illegal because large numbers of those who signed the nomination papers were found to have failed to register as electors. The fact that so few *retornados* have signed up as members of the new Portuguese democracy has discouraged local political leaders from too actively seeking their support, with the result that in the current Presidential campaigns, as in April's legislative elections, they and their problems have received only scant attention.

Yet the refugees are clearly here to stay. As Maria de Sousa says: "Not because we want to, but where else have we to go?" Not only are they going to stay, their numbers are still swelling. Approximately 400 refugees are now arriving in Portugal each day from Mozambique as ill-treatment and repression in that country produces a second exodus. Portuguese Government officials fear that by the end of this summer, the total number of refugees will have reached the 1m. mark. With the collapse of relations with Angola, the dream many of them clung to of returning to their former homes has been shattered, and a bitter realisation has begun to set in that Portugal will be their home for at least the foreseeable future.

Their bitterness will be but one part of the legacy the new President and Government will inherit as they confront the task of grappling with two years of chaotic neglect.

Talks in Madrid follow clash

BY ROGER MATTHEWS — MADRID, June 23.

KEY MEMBERS of the Spanish Government and senior police officers to-day held urgent discussions following a mass anti-Government demonstration in Madrid last night that ended with violent clashes. Over 30 people were arrested and several hurt when police used teargas and baton charges to break up groups of demonstrators who refused to disperse rapidly after the 30 minutes allotted by the Government.

A police statement later tonight said all but 11 of those arrested had been released. The people still in jail had been fined and put at the disposal of the courts.

The centre of the city was transformed into a series of running battles for nearly an hour with shoppers and tourists caught up in the violence. Between 25,000 and 50,000 people had attended the rally, the first of its kind to be legalised since the Civil War. They demanded a halt to the rapid increase in the cost of living—inflation is now running at an annual rate of over 20 per cent. — and the legalisation of local neighbourhood associations.

Police, who had been angered at the Government's decision to permit the demonstration, dragged people out of cafes and bars and clubbed them as their frustration mounted at being unable to get through the dense traffic. They argued that it was absurd for the authorities to allow such a gathering of people in the city centre and had predicted beforehand that there would be trouble because what was legal at nine p.m. became illegal at one second past.

The consequences of the greater freedom to hold demonstrations and meetings, permitted under a recent law was also seen in Barcelona where between 15,000 and 20,000 Catalan socialists packed into a stadium to hear a series of speeches demanding full political freedom. The rally ended with clenched fist salutes and the singing of the "Internationale" but without violence.

However the Government today definitively banned a three-day congress of the most powerful of Spain's underground trade union movement the Workers Commissions, which are closely aligned to the Communist party. Over 2,000 delegates from all over Spain were due to attend the Congress. Yesterday some 2,000 members from the Madrid region representing most branches of industry gathered in a church for a preparatory meeting. Although the police kept watch over the building they did not intervene. In the North West 14 members of a Galician political group have been arrested and accused of illegal assembly.

Dutch wage talks fail

BY MICHAEL VAN OS — AMSTERDAM, June 23.

THE DUTCH wage negotiations covering the second half of this year, has failed to produce agreement, both the employers and unions announced in The Hague.

But reports from The Hague do not rule out that the Government, which this week received Parliamentary approval for a compulsory wage measure if necessary, may come forward later this week with a contribution in the form of reduced social premiums to make up the small net pay difference.

To give its anti-inflation policy some chance of success, the Government has always insisted that, besides continuing the first half's wage freeze, the "price compensation" for the first half cannot be paid on July 1. This, and a possible wage intervention from the Government, has been completely rejected by the trade unions, who stressed that official measures to control rising prices have obviously failed as prices rose some 5 per cent. in the first six months this year.

A spokesman for the unions said that now a collective wage agreement had failed despite all parties making some concessions, the unions were to start preparing for negotiations per industry. This, the Government fears, could lead to settlements well exceeding its proposals.

Meanwhile in The Hague to-day, the Government submitted to Parliament a draft Bill governing the controversial so-called excess profit sharing system ("VAD" levy). In return for major wages restraint, which the unions claim already to have agreed to in the first half of this year, the VAD system is one of the three main demands. The other two are the draft Bill on industrial democracy reform, already submitted to Parliament, and the plans for some Government control over private sector investments in return for additional financial incentives for the employers. The trade unions are also insisting that Parliament does not substantially alter the draft Bills.

The VAD draft Bill, of which outlines were already published in May, is being fiercely fought by the Dutch corporate sector.

Division agreed on N. Sea field

By William Dullforce

STOCKHOLM, June 23.

THE CONCESSIONNAIRES in the Statfjord Field, the biggest oil and gas discovery yet made in the North Sea, have agreed provisionally that 88.88 per cent. of it lies on the Norwegian Continental Shelf and 11.11 per cent. on the British side. They have also reached agreement in principle on joint development and production of the field. The British National Oil Company (BNOC) gets a 3.7 per cent. interest in the field under the agreement.

Statoil, the Norwegian State Oil Company, announced in Stavanger to-day that the Norwegian group it heads had reached a so-called unitisation agreement with the Conoco-BNOC-Gulf consortium on the British side. They have appointed Mobil operator in developing the field but Statoil is entitled to take over at a later date.

Last week the Norwegian Parliament authorised the Statoil-Mobil Group to order two more production platforms

Committee will advise Treasury on techniques

BY PETER RIDDELL

A STUDY has been started by the Treasury into ways of extending economic assessment techniques in order to provide a clearer guide to he implications of alternative macro-economic policy options.

An advisory committee has been established under the chairmanship of Professor R. J. Ball, principal of the London Business School.

The terms of reference are to consider the present state of development of optimal control techniques as applied to macro-economic policy, and to make recommendations concerning the feasibility and value of applying these techniques within the Treasury.

The composition and terms of reference of the Committee on Policy Optimisation were announced yesterday by Mr. Robert Sheldon, Financial Secretary to the Treasury, in answer to a Parliamentary question from Dr. Jeremy Bray.

The formation of a committee to look into the use of policy optimisation methods was foreshadowed in a Commons written answer last October.

It is expected that it will take the committee about a year to complete its work, its report will then be published.

The committee's basic job will be to see how current econometric and operational research methods can be used in the Treasury so that the outcome of alternative policy decisions will be better indicated. This could lead to the more extensive use of such techniques in aiding

MODELS

Professor Ball has been closely involved in development of macro-economic forecasting models, including the London Business School econometric model. He was responsible for computerising the Treasury short term economic forecast.

The committee will include Mr. Michael Posner, Deputy Chief Economic Adviser of the Treasury, and Mr. G. D. N. Worswick, Director of the National Institute of Economic and Social Research, which has used forecasting techniques similar to the Treasury's. Mr. J. A. Bispham, formerly editor of the National Institute Review and now with the Economic Intelligence Department of the Bank of England, will be a member.

Other members are Professor G. M. Jenkins, Visiting Professor of Statistics at the London Business School; Dr. D. A. Livesey, Lecturer in Economics at Cambridge University; Professor J. A. Mirrlees, Professor of Economics at Oxford University; and Professor J. D. Sargan, Professor of Econometrics at London School of Economics.

Big jump in money supply 'may mean more inflation'

BY MICHAEL BLANDEN

EXCESSIVE expansion of the money supply is likely to lead to a renewed increase in inflation after next year, according to forecasts produced by Mr. James Morrell and the Henley Centre for Forecasting.

Mr. Morrell writes in Accountancy magazine that the money supply on the wider definition (M3) is likely to be expanded by £6bn. to £8bn. in the current financial year.

This would be equivalent to an increase of 15 to 20 per cent. and the surplus money would push up the average price level in 1978 by 11 to 18 per cent.—"a retrograde step."

There was a high probability that the Bank of England would increase the special deposits of the banking system in order to syphon off some of the excess funds and keep inflation under control.

Rights issues 'lacked national priority'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MUCH OF the equity finance raised during the rights issue wave of the past 18 months has gone to companies which have least needed it, without any priority to the national economic interest, according to a pamphlet published to-day by the Labour Economic Finance and Taxation Association, an independent labour research organisation.

The pamphlet urges that, as interim measures to deal with "serious failings" of the existing capital market:

1—The Bank of England should exercise greater scrutiny of issues on the Stock Exchange, since "an unfortunate feature of the 1975 rights issues was the number of opportunistic ones."

2—A short-term capital gains tax should be reintroduced, with an appropriate version also for institutions, to discourage speculation and "thereby probably reduce share price volatility and abuses."

Short term

The author—Mr. Peter Milne, who worked in stockbroking for nine years and is now with an international firm of accountants—argues that the overall distribution of 1975's equity fund-raising looked unsatisfactory. It was doubtful whether it had been for purposes which would most benefit the U.K. economy in the long term, if only because no such priorities were applied in the capital-raising process.

Mr. Milne criticises the method of fund-raising, in particular the fact that a successful issue does not have to conform to any particular criteria other than to be underwritten and depends on a short-term view about the level of the stock market as a whole.

The pamphlet also argues that the short-term mentality and high turnover inherent in the Stock Exchange's main role as a secondary market, produces investment fashions and greater price volatility. This has discriminated, particularly against U.K. manufacturing companies and has made equity funding near-impossible for long periods. Moreover, the size of institutional portfolios and their preference for marketable holdings has also discriminated against smaller companies.

"The Stock Market and Company Finance," Peter Milne, LEFTA, 31, Dunoon Road, London, S.E.23—price 80p including postage.

Contractors attack dumping code

THE Government was criticised yesterday for allowing "hazardous" dumping of waste material to continue, in spite of a licensing system which came into force last week.

The National Association of Waste Disposal Contractors says that it is deeply concerned for the environment. In a report which points out that 20m. tonnes of manufacturing waste is disposed of annually by private contractors, it blames Government economies for delays in implementing certain sections of the 1974 Control of Pollution Act.

The Association is particularly concerned over the "dilute and disperse" principle which, it says, the Government appears to condone in its latest paper on the licensing of disposal sites.

"The principle suggests the mixing of industrial liquids and sludges with domestic and household refuse—a practice which is prohibited by law in other EEC countries.

"Specialists fear uncontrolled chemical reaction leading to the generation of toxic and lethal gases and the possibility of hazardous chemicals being washed out by rainfall into important water sources."

The Association has told the Department of the Environment of its concern and suggests the cost of enforcing stricter rules should be borne by waste producers.

Power Board has first surplus in six years

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SOUTH of Scotland Electricity Board made a surplus of £2.72m. in the last financial year after five years of deficits which cost the Government £35m.

Mr. Francis Tombs, chairman, said in Glasgow yesterday that the surplus had been achieved in spite of falling sales and rising costs.

Increased demand from industry and commerce had been offset by an 8 per cent. fall in domestic sales caused by higher prices, the recession and the Government's "Save it" campaign.

The Board had increased the thermal efficiency of its power stations and made substantial economies. There had been a 19.7 per cent. price increase on April 1, but the Board had no plans to increase tariffs in the coming year.

The South of Scotland Board supplies power to the whole of Scotland's central industrial belt and to the North of Scotland Hydro-electricity Board, which serves the Highlands and islands.

The new £135m. nuclear power station, Hunterston B, started production in February—three years late—on one of its two 660 mW generators. The second is due to begin operations by the end of the year.

Coal Board is to invest nearly £300m. this year

BY ROY HODSON

NEARLY £300m. will be invested in the coal industry this year in the biggest and most expensive capital expansion ever undertaken.

Sir Derek Ezra, chairman of the National Coal Board disclosed the figure yesterday during a visit to the North Derbyshire coalfield.

It has become clear during recent weeks that the Government-backed Plan for Coal, which the Board and the miners are regarding as the keystone for the future prosperity of the industry, is going to cost much more than the £1.4bn. originally estimated when the ten-year plan was formulated after the 1973 oil crisis.

A more realistic estimate of the investment needed to carry out the plan between now and 1985 would be between £2bn. and £3bn.

The £300m. to be spent this financial year indicates the level at which the industry will have to invest for several years ahead to accomplish the aims of the plan within the ten-year time scale.

Spending can be expected to rise to higher levels during the middle years of the plan period and to decline somewhat in the early 1980s.

The biggest single project will be the development of the newly discovered coalfield at Selby, Yorkshire. The Government is considering also building a new power station, Drax B, to use the Selby output.

Sir Derek announced another big project as part of the plan. Shirebrook colliery, Derbyshire, is to be reconstructed at a cost of £18m.

The total 1976-77 investment programme in coal mining includes 110 projects costing more than £250,000 and is spread across the industry's activities as follows: £175m. on mining schemes to open up further coal reserves, and in particular new coking coal supplies for the steel industry; £80m. on underground equipment; £15m. on coal exploration for new and existing mines; and £30m. on other schemes including extensions to research facilities.

New mining work and surface plant installations at Shirebrook will be finished by 1979. Output from the pit will be raised from 1m. tons a year to 1.6m. tons a year.

The Commission is making a grant of £31,000 towards the retraining of workers made redundant by the closure of the I.M.I. Alloy Steels factory at Alfreton, Derbyshire.

More than 180 workers will be affected by the closure, but it is estimated that only 63 will be in need of retraining and help to secure other jobs.

Airport may get £100m.

BY OUR MIDLANDS CORRESPONDENT

GOVERNMENT support for the expansion of Birmingham airport by up to £100m. is expected to be expressed in a consultative document on the future of airports outside London and the south-east.

The airport is dealing with about 1.5m. passengers a year and natural growth is expected to take it to 3m. by 1990.

If the Government wished to relieve growing pressure on Heathrow and Gatwick, it is believed to be envisaging expediture of up to £100m. on a new terminal and other facilities for up to 10m. passengers.

Plans to replace the terminal at a cost of about £23m. at 1974 prices have to be implemented and resiting to link with the new National Exhibition Centre on the airport periphery is considered essential by local politicians. Travellers in peak periods are straining existing airport facilities.

The report favours development of Birmingham airport rather than East Midlands.

Timber record

THE biggest-ever shipment of timber into the Mersey Docks company's specialised terminal in the Royal Seaforth dock is due on Monday aboard the bulk carrier Seapwill. It consists of 28,503 tonnes of Canadian timber, plywood and pulp.

Court lifts ban on Sunday Times

AN ORDER made three years ago banning Times Newspapers from publishing an article on the plight of thalidomide children was cancelled by Lord Widgery, the Lord Chief Justice, in the High Court, yesterday on the application of the Attorney General.

Lord Widgery, presiding in the Queen's Bench Divisional Court, told Mr. Harry Woolf, appearing for Mr. Sam Silkin, the Attorney General, that it was "obviously right" that the order should be discharged.

Times Newspapers agreed to the order on June 25, 1973, after five Law Lords ruled that publication of the article in the Sunday Times would be contempt of court because of pending legal proceedings against Distillers Company (Biochemicals).

Yesterday, Mr. Woolf told Lord Widgery, sitting with Mr. Justice Croom-Johnson and Mr. Justice May, that the Attorney General took the view that the public interest no longer required the order to continue.

There were now only four cases outstanding against Distillers. If they had been pursued diligently they would now have been before a court.

● The New South Wales Supreme Court yesterday approved a Distillers offer of compensation totalling $A698,542 (£485,098) to the parents of eight Australian thalidomide children, now aged between 13 and 16.

Tests show 19 of 25 caravans 'unroadworthy'

BY JAMES McDONALD

THE AUTOMOBILE Association has issued warnings on the threat of unroadworthy caravans and the limited number of hotels and boarding houses with fire certificates as the holiday season gets under full way.

Drive, the Association's magazine, says that an MoT-style test organised by the publication showed 19 out of 25 caravans to be "unroadworthy." It recommends that the Government should consider urgently:

● Tightening regulations that allow unroadworthy caravans on to the highway;
● Roadside spot-checks, with severe penalties for owners whose caravans are found to be dangerous;
● Mandatory annual safety checks;
● Obligatory gas-ventilation inspections;
● Compulsory display of rear window stickers as evidence that caravans have passed inspection.

The tests showed that half the 25 caravans picked at random had brakes requiring immediate attention. Five had less than the 50 per cent. minimum brake efficiency and three were so bad that readings could not be obtained on the roller tester apparatus used.

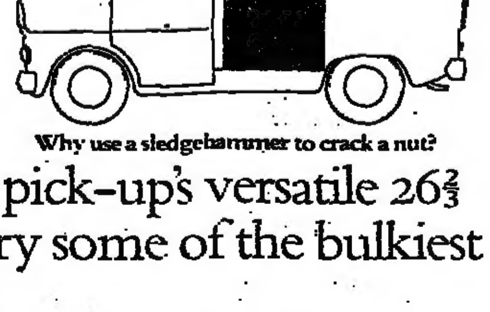
The magazine also highlights the fact that, in the four years since hotels and boarding houses were brought within the scope of the Fire Precautions Act, fewer than half the 40,144 establishments applying to the fire authorities had been inspected and only 9,465 had received a fire certificate.

Drive says the Act has proved complicated and unwieldy, had already cost the hotel industry an estimated £100m. and, this summer, lost up to 10 per cent. of low-cost holiday beds.

Neither the hoteliers nor the fire authorities had tried to escape their responsibilities. Genuine and considerable difficulties had limited implementation of an Act so far reaching in its requirements.

One problem was that the Act was being interpreted differently in different areas. Some local authorities were reasonable, but others were "throwing the book" at hotels. One of the toughest was the Greater London Council. In London, the big hotel chains claimed that fire precaution work cost nearly twice as much per bedroom as in the provinces.

It would be good sense, Drive suggests, for a working party of hoteliers, tourist officials and fire prevention officers to be set up immediately to clarify the present "hopelessly confused" picture



HOME NEWS

LABOUR NEWS

NEWS ANALYSIS—CHELSEA FC

Soccer arithmetic goes sour

BY MICHAEL THOMPSON-NOEL

THE BIGGER they are the harder they fall, and there is little doubt that Chelsea Football Club, which said yesterday that it had called in accountants to investigate its affairs, has tumbled heavily.

A meeting of creditors, headed by Barclays Bank, has been called for July 2.

Six years ago, Chelsea, then managed by Dave Sexton, won the FA Cup and gates were averaging more than 40,000 at Stamford Bridge. Twelve months later they won the European Cup Winners' Cup and were clearly one of Britain's leading sides.

Now they are in trouble, and the new grandstand on which Chelsea gambled £2m. two years ago has become a millstone around the club's neck.

No one outside the club is sure what Chelsea owes on the stand, but it is clear that interest payments, the economic depression and the team's uninspiring performance in the middle of the Football League's Division Two have combined to push the London club into a precarious situation.

Mr. Brian Mears, chairman of Chelsea FC, stands in front of the new stand.

Players sold

A spokesman for Stoy, Hayward and Co., a West End firm of accountants called in by Mr. Brian Mears, Chelsea chairman, last week, said yesterday: "We have a team of investigators at the club looking into the books. It is too early to say what the position is.

"We have been brought in by the club and not by any of the creditors. Mr. Mears thought it best to call a meeting as soon as possible in view of all the rumours."

Chelsea's troubles really began in late 1973. Peter Osgood and Alan Hudson, two of Chelsea's stars, fell out with Sexton. Hudson was transferred to Stoke and Osgood to Southampton, but although the transactions made the club £515,000 richer, at least on paper (most big-money transfer fees are paid by instalments), they seriously sapped its playing strength.

In March 1974, defender David Webb went to Queen's Park Rangers for £100,000 and the cumulative result was that Chelsea escaped relegation from Division 1 in 1973-74 by only a point. The following season they were not so lucky and sank into Division II.

The disasters on the playing field were matched by misfortunes off it. The club's financial problems, magnified by inflation, centre on the new three-tier grandstand opened in August 1974. A comfortable, concrete edifice, it was unfortunately built on the assumption that Chelsea would attract crowds of up to 40,000.

At the time, the club chairman said: "We need to average 20,000-40,000 fans at each League game to pay our way with this new stand. We hope to do well in the cups to provide a bonus to help us press on with the next phase of the redevelopment next summer."

Instead of success, the gates dropped. Last season, when Chelsea finished only halfway up Division II, attendances were averaging below 20,000. The arithmetic had gone sour.

To rub salt in the wounds, Chelsea were knocked out of the League Cup by lowly Crewe and bundled out of the FA Cup, the biggest money-spinner, by London rivals Crystal Palace.

Two years ago, Mr. Mears said that if the club had not launched the improvement programme when it did, it might have been forced out of business.

"Although the delays and frustrations have pushed up the cost of this first stand to £2m., it was a good thing we started the project when we did. Had we waited, we might have been persuaded by the current economic crisis to leave the ground as it was and I can tell you that in the end Stamford Bridge would have been so close to falling down that the council might have refused us a licence."

Earlier this month there were strong rumours that a "Save Chelsea Fund" was about to be launched. At the time Mr. Mears denied that a receiver was being called in or that he was about to resign as chairman.

Yesterday Mr. Mears declined to elaborate. "It is a delicate matter. I have been advised to say nothing until after the creditors' meeting."

There seems little chance that Chelsea will fold, however, at least for the present. Ron Suart, general manager, said at the ground: "As far as I'm concerned I can't see the club closing down. We are making normal arrangements for the commencement of the new season and our pre-season tour of Sweden.

Chelsea's tangible assets include 13 acres of land—they own their own ground—conservatively valued at £275,000. Chelsea could sell some land, but the snag is that the Community Land Bill has made planning permission more difficult to obtain and this might deter buyers.

Chelsea's problems reflect those of soccer as a whole. Crystal Palace were more than £1m. in the red before last season's welcome FA Cup run.

Only eight of the 92 league clubs are thought to show a profit. The rest are shouldering a combined debt approaching £10m.

Although league clubs have shown a remarkable resilience—the last to go broke was Accrington Stanley as long ago as 1962 — the time is obviously approaching when the league structure will have to be overhauled.

The league is too large and in the absence of stadium-sharing its costs have become prohibitive. Something has to give: it might just be Chelsea.

Enough is enough, says Scanlon on jobless

BY ALAN PIKE, LABOUR STAFF, IN TORQUAY

SUBSTANTIAL MEASURES to reduce the "unacceptable face of unemployment" are essential if the social contract between the Government and the TUC is to survive, Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, warned yesterday.

Mr. Scanlon, who helped negotiate the second phase of incomes policy with the Government and expressed powerful support for it at the special TUC Congress last week, spoke passionately about the latest "calamitous" unemployment figures, at the Confederation of Shipbuilding and Engineering Unions Conference here.

The trade union movement, he said, owed loyalty to the Labour Government but the Government must not take that loyalty too freely. "Enough is enough," said Mr. Scanlon.

The time was being reached when there must be substantial measures to tackle unemployment "if the trade union movement is going to continue its role in the social contract as we know it."

He rejected entirely the view that unemployment was a necessary part of the social contract in the present economic situation. Mr. Scanlon's speech and the applause with which it was received by delegates, illustrates the tensions and heart-searching which went into last week's near-unanimous decision by the TUC Congress to continue supporting the Government's pay policy as unemployment mounts.

The unempolyment statistics, continued Mr. Scanlon, must "by any standards be considered a disgrace." After all the money and parental sacrifice devoted to education, the only thing offered to most school-leavers would be the dole queue.

This summer, 60 per cent. of school leavers would be faced with the dole.

Mr. Scanlon added later that there would be people "in the wings" waiting to exploit the social unrest arising from widespread unemployment among young people and said that "those who think it would be move to the Left, had bet look at what is happening."

The Confederation, whi represents 19 engineeri unions, decided that because the terms of the new pay poli there can be no national wa claim in the industry for t coming year.

Instead, the Engineering E ployers' Federation would urged to ensure that all co panies had the maximum amou permitted under the policy wage packets at factory lev

Under the industry's norm two-tier bargaining arrang ments, employees' wages a composed of increases negotiat at both national and local lev As the new pay policy appli to individual earnings, howeve the Confederation has decid that the national negotiatio will have to be suspended.

Under the proposed arrang ment, workers will receive i creases permitted by Phase Tw of the pay policy 12 months aft their last domestic rise.

Bid to resolve car component go-slow

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

MIDLANDS union officers met last night to try to resolve the three-month-old go-slow at Rubery Owen's Darlaston and Wednesbury factories that is wrecking British Leyland plans to achieve a production target of 22,000 cars a week before the holidays in mid-July.

The first serious repercussions on assembly lines is being felt at Solihull, where 1,500 Land Rover workers are being redeployed, and there is an increasing threat to output of Minis, Triumphs and Jaguars. At Bathgate in Scotland about 200 truck workers have already been laid off.

Supplies of axles, wheels, fuel tanks and other Rubery Owen components have been reduced just when car production was building up to more than 19,000 a week. It is now beginning to fall back.

The dispute is over 20p a week, which will have to be taken off the £6 a week gained last November by the 2,400 employees if the demand to be paid a national increase in minimum time rates—on which overtime and other benefits are based—is granted.

● MR. ALAN THORNETT, the Trotskyist Cowley shop steward known as "the Mole" for his underground activities, has lost another influential position—his place on the automotive committee of the Transport and General Workers' Union in Oxford.

The committee has been suspended and replaced by a new organisation comprising the union's senior shop stewards at Leyland's six plants in the Oxford area.

The union's Left-wing extremist faction had gained a majority of one on the 17-member automotive committee. The decision to wind it up, initiated by delegates from the Cowley car body plant, is the latest major organisational change in the TGWU's set-up at Cowley.

Mr. Thornett is chairman of the TGWU branch at the assembly plant and of the factory's joint shop steward's committee, but these appointments have lost much of their importance because of the union's changes.

Strike over order for more beans

By Our Legal Staff

A DISPUTE over the speed at which a baked bean production line was operated, yesterday brought the two H. J. Heinz plants at Wigan to a standstill.

Heinz has spent £250,000 re-equipping their baken bean lines at the Kitt Green and Standish factories, but negotiations broke down on the management demand for the output to be speeded up from 300 tins a minute to upwards of 360 tins.

Two men on nightshift refused to operate the accelerated line and were suspended. The 3,000 process workers promptly walked out on night shift at both factories and day shifts were picketed.

Management met shop stewards and agreed to reinstate the men but refused a request for the line speed to remain at 300 pending further negotiations.

A mass meeting yesterday reiterated the demand and workers sunbathed on the factory playing fields while their shop stewards met management again.

But the management refused to budge and the process workers decided to ask their union to make the strike official.

It is the first strike at Kitt Green since the plant was opened in 1959.

Nuclear industry 'may not survive'

By David Fishlock, Science Editor

THE U.K. NUCLEAR industry might fail to survive the next decade. Its leaders were warned yesterday by one of the senior advisers to Mr. Anthony Wedgwood Benn, Energy Secretary.

The entire power engineering industry was going into a decline and, if it was to survive, a new kind of partnership between Government and industry was required, Dr. Walter Marshall told the British Nuclear Forum, representing nuclear manufacturers and customers.

Dr. Marshall, chief scientific adviser to the Department of Energy, also is deputy chairman of the U.K. Atomic Energy Authority and a Board member of the National Nuclear Corporation.

The combination of North Sea discoveries, higher prices, and the necessity for energy conservation were conspiring to make the life of the U.K. nuclear industry uncomfortable for the next ten years, he said.

Workload

The problem was one which deeply exercised the Government — including the Central Policy Research Unit, the Whitehall "think-tank."

Although "any reasonable analysis" showed that the U.K. would need about twice its present electrical capacity by around the turn of the century—and the Department of Energy could see no way of achieving this other than by installing about 10 times its present nuclear capacity—the problem was survival in the immediate future.

Maritime Fruit hopeful of capital agreement

BY JOHN WYLES, SHIPPING CORRESPONDENT

MARITIME Fruit Carriers, troubled Israeli-American shipping group, yesterday held out firm hope of agreement on a fresh injection of capital as the toll of its ships placed under arrest by creditors continued to rise.

With four Israeli-flag vessels already under arrest in ports in West Germany, Japan and Britain, it was learned yesterday that a British flag MFC refrigerated ship, the Marengo, has been arrested in Bremerhaven on behalf of Chemical Bank New York Trust Company.

All the arrests have taken place since June 1, when MFC first disclosed that it was negotiating with unidentified interests on the provision of at least $15m.

It was indicated that agreement could be settled in two weeks, but negotiations have dragged on, forcing the company to issue another holding statement yesterday.

This said that, although no definitive statement could be made yet, agreement had been reached with the proposed investors "on a satisfactory form of the proposed investment" and on the future structure of MFC.

Mr. H. Struve Hensel, outlined plans at the beginning of this month to creditors for a radical slimming down of its fleet and operations.

MFC's statement went on to say that it expected to be able to recommend the agreed proposals to its secured and unsecured creditors. The proposed investors were confident that the money, not less than $15m., would be available "subject to the provision of satisfactory security, therefore."

A final announcement will be delayed until the money is actually on deposit with, or confirmed as available by, a substantial European or American bank, said MFC.

The new money will be placed in an escrow account until it is clear that the proposed programme is acceptable and at the same time the terms of the investment, the identity of the investors and MFC's recommendations will be disclosed.

After the arrest of five ships and the sale of one, MFC is left with a fleet of 36 vessels. According to one reliable source, at least 25 of these are vulnerable to arrest by creditors in the absence of an agreed rescue package for the company.

Preoccupation with reaching agreement on the new injection of cash has apparently halted any definite moves on the shipbuilding front. MFC has decided to cancel the second of two tankers on order from Clydeside's Scott Lithgow yard and is still considering the future of the third tanker at Harland and Wolff.

Inquiry sought on steel imports

By Roy Hodson

THE NATIONAL Economic Development Council is to be asked by the private sector steelmakers to make an impartial investigation into imports of foreign special steels.

The British Independent Steel Producers' Association is turning to the NEDC for help as a last resort.

The private steelmakers met officials of the Department of Trade and the Department of Industry yesterday at the industry's own request to put forward evidence of dumping of specialist steels into the British market by Japan, Austria and Sweden.

The meeting was inconclusive and the steelmakers were reacting angrily last night, accusing the Government of dragging its feet.

The National Economic Development Office would be in a good position to study the complicated trading patterns involved as it is supervising a sectorial study of the steel industry.

The steelmakers, meanwhile, have invited the Government departments to make full use of their Sheffield office to study records and interview representatives of the companies — nearly all in the Sheffield area —which claim their businesses are being affected by low cost imports.

BISPA said last night: "We hope this will result in an early resolution of whether we really have a case on Japan for dumping certain special steels."

Ban on South Africa job adverts sought by TUC

BY OUR LABOUR CORRESPONDENT

THE TUC is to ask Mr. Roy Jenkins, Home Secretary, to change the Race Relations Bill to put an end to the advertisement in Britain of jobs in South Africa.

Both the Race Relations Act, 1968, and the amending Bill now under consideration, make it unlawful to publish advertisements for jobs "which indicated or could be understood as indicating an intention to discriminate on grounds of race."

But it is not certain that either the Act or the Bill would be held to apply to these advertisements as the issue has never been tested in the courts.

The TUC general council, however, feels that racial discrimination is implicit in advertisements for jobs in South Africa and therefore decided yesterday to seek amendments to the Bill prohibiting advertisements for jobs in circumstances "where discrimination could reasonably be anticipated."

● Yesterday's general council also decided to express to the Government TUC concern at Law Commission proposals on criminal trespass which could have implications for sit-ins and work-ins.

The TUC is particularly concerned about proposals to make resistance to bailiffs executing civil orders to unlawful occupants a criminal offence.

Working party for Newcastle

By Our Labour Staff

A JOINT working party of trad unions and other intereste parties will meet next month a nattempt to reach agreeme on the ownership and operatio of the new £200m. Tynesid metro scheme.

Mr. Sidney Weighell, gener secretary of the National Unio of Railwaymen, whose New castel members have been black ing construction work on th scheme because of fears th jobs might go to non-railme said: "It's not going to be eas but I think everyone now se the need for meaningful di cussions."

The participants in the work ing party will be the NUR, th Associated Society of Locom tive Engineers and Firemen, th Transport and Salaried Staf Association, the Transport an General Workers Union, Britis Rail and the Tyne Wear Passe ger Transport Executive.

The NUR has, however, wo agreement that any compromis reached in the case of Tynesid will not be used as a precede in any future negotiations co cerning new rail lines. In th meantime, Mr. Weighell ha instructed his members to en the blacking operation.

Xerox settles patents fight

FINANCIAL TIMES REPORTER

RANK XEROX's three-year-old legal battle with Gestetner has been settled.

Rank Xerox had alleged that Gestetner had infringed patents on its plain paper copier technology in both Britain and France, but has now effectively backed down in the U.K.

In France, the parties have agreed to differ and Gestetner has taken out a licence.

Rank Xerox said that no financial payments were involved in the settlement—announced yesterday. It claimed its decision had not been influenced by the forthcoming Monopolies Commission report on copiers, nor by the recent consent decree with the U.S. Federal Trade Commission, except regarding the terms of the French licence.

"The U.K. proceedings have been terminated, Rank Xerox being satisfied that Gestetner's current manufacturing practices do not infringe any Rank Xerox patents which are still in force."

Gestetner said later that it had not changed its manufacturing practices.

In France, the announcement said: "The parties maintain their respective views about the patents in question."

Ship cadets win full £6

BY OUR LABOUR STAFF

A PAY settlement within the £6 limit has been accepted on behalf of Britain's 40,000 merchant navy officers.

Talks between the Merchant Navy and Airline Officers Association and the General Council of British Shipping had broken down on the question of increases for cadets and for officers close to the £8,500 cut-off point in the pay policy.

Under yesterday's agreement all cadets aged over 18 will get the full £6, but increases for officers earning between £8,188 and £8,499 will be tapered so that no-one is taken over the £8,500 point.

Talks are expected early next month between the council and the National Union of Seamen, which has submitted a claim for "a substantial increase" on basic rates plus improved overtime payments on behalf of its 50,000 members.

Oil jetty peace

By Our Labour Editor

ABOUT 50 Shetland Island dockers decided yesterday to lift their blacking of supplies to the £400m. oil terminal under construction at Sullom Voe.

Five-hundred BP construction workers were laid off over working conditions on new jetties. BP plans to fly workers back early next week.

Motorcycle sales still continue to improve

BY KEVIN DONE, INDUSTRIAL STAFF

MOTORCYCLE sales have continued to improve this year after last year's already buoyant market, although the rate of increase has slowed.

Provisional figures issued yesterday by the Department of the Environment show registrations of motor cycles of over 50cc capacity climbed to 18,935 last month against 15,807 in May last year, a rise of 19 per cent.

Moped sales dropped to 8,820 from 9,395 a year before, but sales have improved since the beginning of 1976 when they took a heavy knock.

In spite of the slump, the overall two-wheeler market in the first five months of 1976 improved by 3 per cent. to 107,714 from 104,428, confirming the industry's hopes of exceeding last year's total of 270,000 sales.

Provisional registration figures of all vehicles, including cars, vans, motorcycles, goods vehicles, public transport vehicles and agricultural tractors, rose last month to 181,759 from 156,878 in May last year.

Provisional registration figures for cars from the Department of the Environment show an increase last month to 123,805 from 102,944 in the same period last year.

The total compares with a provisional estimate of 120,592 from the Society of Motor Manufacturers and Traders earlier this month. Unlike SMMT figures, the DoE total includes used vehicles registered for the first time.

Seasonally adjusted figures from the Department of Industry show new car and van registrations in May at 112,000 compared with 118,000 in April this year.

In the three months March to May, registrations averaged 111,000 on a seasonally adjusted basis, compared with 101,000 in the previous three months, December to February.

'Nine-fault vehicles'

BY KEVIN DONE, INDUSTRIAL STAFF

HEAVY goods vehicle inspectors from the Freight Transport Association are finding an average of nine faults on every new vehicle going to their customers from the manufacturers and body-builders.

Often faults are not serious, but some are sufficient to cause the vehicle to fail a random roadside test carried out by the Department of the Environment.

The association is carrying out more than 90,000 inspections each year on about 22,000 vehicles. It claims that lorries being put through the annual heavy goods vehicle test by the Department of the Environment show a 94 per cent. pass rate, compared with an 80 per cent. rate achieved by uninspected vehicles.

In the year to April 2, the Department of the Environment carried out 735,282 annual tests.

Interest rate cuts 'unlikely'

BY MICHAEL BLANDEN

THE BRITISH authorities are unlikely to be able to reverse quickly the recent upward adjustment of interest rates, it is argued in the latest review of interest rates published by Williams and Glyn's Bank.

The 1 per cent. jump in the Bank of England's minimum lending rate in May was again prompted by the pressure on sterling, the banks says.

The continued basic weakness of the pound, in spite of official attempts to boost confidence, "must limit the authorities' room for manoeuvre."

In the rest of Europe "the general upturn in economic activity, together with the influence of higher U.S. rates, suggests that the firmer pattern of short-term rates is likely to continue."

In the U.S., rates had already moved up with two successive quarter-point increases in prime rates. "With the economic recovery gathering pace, the trend is likely to remain upwards in the next few months."

As part of the general upward trend in Europe, there were ½-point increases in bank rate to 4½ per cent. in the Netherlands and to 6 per cent. in Sweden, putting pressure on other lending rates in those countries.

In Italy the commercial banks raised their prime rate from 18 to 19½ per cent. in response to official moves to curb bank liquidity, pushing borrowing rates for most customers well over 20 per cent.

Exceptions to the trend were Austria, where bank rate was cut from 5 to 4 per cent. in line with the recent decline of other domestic rates, and Switzerland, where the recent downtrend continued with a cut from 2½ to 2 per cent.

The Swiss move was part of a comprehensive package of measures designed to curb the inflow of foreign capital and the consequent pressure on the exchange rate.

Short-term Interest Rates as at June 15

Country	Bank Rate %	Overdrafts %	Loans %	Commercial and Finance Paper	%
France	8 (5.9.75)	10.25 plus commission of 1/20% per month on highest debit balance in month. 9.80 minimum rate "Credit mobilisable"	9.80 min. for corp borrowers.	Commercial Bills 90 days Finance	9.80 9.80
Italy	12 (18.3.76)	21	—	Commercial Bills to 180 days	20.50
Netherlands	4.50 (1.6.76)	7-7.50 minimum	—	—	
Switzerland	2 (8.6.76)	7.50-8 unsecured 7-7.50 secured	6.25	Commercial Bills to 90 days	4.50
U.K.	11.50 (M.L.R.) (21.5.76)	11.50-16.50	11.50-16.50	Commercial Bills Bank: 3 months Trade: up to 180 days	10.88-11 11.50-11.75
W. Germany	3.50 (12.9.75)	7.75-8.50 sometimes reduced for first-class borrowers.	6.75-7.50 Sometimes reduced for first-class borrowers.	Commercial Bills	6.75-7.50

APPOINTMENTS

Deputy chairman change at Powell Duffryn

Mr. Geoffrey Jones is to become deputy chairman of POWELL DUFFRYN on August 5 when Mr. S. James L. Hill retires from the Board after the annual meeting.

*

Mr. William H. Farrow has been elected chairman of the CO-OPERATIVE WHOLESALE SOCIETY. He has been a director of CWS since 1971.

*

Following the recent acquisition by Fort Anne Holdings of the issued share capital of NORTHBOROUGH INVESTMENT TRUST, formerly held by David Samuel Trust, the following Board changes have been made. Mr. Roger Brown and Mr. Alvin Harding of Fort Anne Holdings have joined the Board in place of Mr. Leslie Lavy and Mr. Herbert Townings who have resigned. Mr. Alan Bobroff, the secretary of the company, has also been appointed to the Board and Mr. H. Bart-Smith will remain as a director. Mr. Roger Brown will become chairman of the company.

*

Mr. Nicholas H. Chamberlen, Clive Discount, has been elected chairman of INTERNATIONAL C.D. MARKET ASSOCIATION. Mr. David R. W. Potter (Credit Suisse White Weld) has become deputy chairman, and Mr. David P. Fincham (Jessel Toynbee) secretary of the Association.

*

Mr. Michael J. Cobham, chairman and managing director of Flight Refuelling, has been elected president of the SOCIETY OF BRITISH AEROSPACE COMPANIES for the coming year. He succeeds Air Marshal Sir Edouard Grundy, who becomes deputy president. Mr. Robert F. Hunt, chairman of the Dowty Group, was appointed vice-president of the Society.

*

Mr. Allan Booth has been appointed a director of BIBBY AND BARON, a subsidiary of Bibby and Baron (Holdings). He became group accounting co troller in October, 1975.

*

Mr. G. A. F. Heley, buyi director of F. J. WALLIS h resigned. Mr. D. R. Glynn, t chairman, has taken over cont of buying operations.

*

Mr. Neville Mallinson has bee appointed to the Board of DAV LOEWY as deputy managi director, joining the compa from C. A. Parsons. Mr. Kei Ross, who is general manager the hydraulic machinery divisio has been appointed a director Davy-Loewy.

*

Mr. Stephen Maitland-Lewis h been appointed general manag of GREYHOUND INTE NATIONAL FINANCIAL SE VICES, the internation investment banking subsidiary Greyhound Financial and Leasin Corporation. For the past tw years Mr. Maitland-Lewis h been a manager with Londo Continental Bankers.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● CONSTRUCTION

Frame analysis work load cut

ANALYSIS and evaluation of a design is a protracted process for the civil engineer, but it can be reduced satisfactorily to a few key strokes, using program packages intended to speed work on structural frames.

Written for Olivetti's desk-top computer, the P652, the first program provides general frame and truss analysis, producing joint displacements and reactions for frames with up to 174 joints and 340 members. Up to four load cases can be calculated at one time, using the program written specifically for this extremely compact machine.

Working with W. Morrish and Partners, consulting engineers, Olivetti developed a routine for the design of single bay, symmetrical portal frames, producing a minimum weight solution. Provision is also made for elastic deflections in the frame geometry.

The product of this software package is plastic moments and universal beam sections for stanchions and rafters, as well as total weight of the frame. An advantage is that results are printed out in a format ready for submission to local authorities. Only a few minutes are required to run the program and service to clients can be improved considerably through the speed-up in the preparation of quotations this allows.

Design of multi-bay steel portal frames with up to five bays has been tackled by the company working with consulting civil and structural engineers Bradshaw, Bucton and Tonge.

The program allows for asymmetrical bays, a canopy, etc., and permits the calculation of six different combinations of loading at each run, including vertical and horizontal point loads, overall and wind loads and crane and dead loads.

Typed output includes section sizes, load factors for each combination, foundation reactions and bending moments.

Typically, use of these programs and the small computer allows two weeks work with slide rule and pencil to be compressed into half a day.

Further information on the programs from British Olivetti at 30 Berkeley Square, London W1X 6AH (01-629 8807).

● COMPUTERS

Prediction of company performance

COMPANIES wanting to predict their future performance in relation to business trends can now use one of the most comprehensive corporate financial modelling packages in existence.

The package is called Inbucon Corporate Modelling System (ICMS) and will be marketed by SIA.

It offers the means of looking at a current or projected business situation, of analysing the figures and testing out the consequences of various strategies or alternative plans of action.

ICMS has been developed by a team of corporate planners from the Inbucon/AIC Management Consulting Group. Mounted on SIA's twin large Control Data machines it provides a number of specific management capabilities. These include the production and operation of financial models for planning, management development, results consolidation; investment appraisal and merger analysis. The package can also be used for non-financial models or production applications.

Flexibility allows the user to select the sequence of all operations and to interrupt and assume control at any point. Specifically developed for ease of use by managers, planners and researchers, it does not require extensive computer expertise to run.

Use of ICMS is by plain English questions and answer dialogue between the user and the system through a computer terminal. The command structure presents the user at each stage with a question which will lead him to provide the information needed by the system.

HELP commands are available to assist the user. An "expert" mode in which suppression of full question printing is performed, allows speedy input for the experienced user.

SIA is on 01-730 4544.

Barclays move on COM net

NCR has won one of the most valued orders in the United Kingdom for microfiche viewers. An order has been received from Barclays Bank for 6,000 at a total cost of £650,000. Barclays will use them for their book-keeping system for bank branches based on computer output on microfilm.

The equipment comprises 1000 NCR 436-248, 100 per cent, screen-size viewers, which will be used mainly for information retrieval in the machine area at bank branches; 2,500 executive viewers which will be placed in managers' offices and 2,500 smaller viewers which will be used in the cashier section to give counter customers the benefit of instant answers to inquiries on accounts.

Barclays is developing the branch book-keeping system on COM in phases. The first to go live will be at the computer centre in Manchester, involving about 800 branches. The COM system for customers' records began as a pilot scheme a year ago, using 100 NCR viewers.

NCR is at 206, Marylebone Road, London, NW1 6LY. 01-723 7070.

● METALWORKING

Fettling wheel works fast

AFTER A five-year development programme, including two years of tests on the shop floor, Luke and Spencer has launched a new type of fettling wheel to meet the exacting demands of the foundry industry.

In tests, the company's new FX wheel has already outperformed conventional designs and clearly represents a big advance. Field trials showed increased output through higher rates of stock removal and a potential for reduced costs because the wheel lasts so much longer: this despite the fact that the material used has the free cutting, high metal removal qualities of softer wheels.

Sizes cover the range 6 inches to 30 inches diameter for portable swing frame and pedestal machines.

Luke and Spencer (Unicorn Industries) is at Atlantic Street, Broadheath, Altrincham, Cheshire 062-928 7241.

Operator programmes NC miller

FROM SWEDEN comes the Sajo 54 NC milling machine, with horizontal or vertical spindle, and incorporating the MDI-4 three-axis, straight line control system with manual data input and fourth axis pre-position control.

Powered by a 7½ or 10 h.p. drive to the spindle, X axis travel is 710 mm., Y axis is 300 mm., and pre-position of vertical knee movement is 300 mm. All numerical control traverses have recirculating ball feeds, with rotary transductors giving a resolution of 0.0254 mm. Maximum throat depth is 760 mm., with 410 mm. clearance under the spindle. Up to 25 feeds can be programmed.

It is stated that any work planner can produce the program sheet and enter the data on the key board. Uncomplicated parts can even be programmed by the machine operator, working directly from a drawing. Block search, program storage and editing for compensation is standard equipment.

Marketing in the U.K. is by Horsman Brothers (Machine Tools), Dittons Road, Polegate, Sussex, BN26 6NE (03212 5145).

Fast action clamps

FOR SECURING workpieces during machining a range of quick action clamps has been introduced by Welwyn Tool Company, Stonehills House, Welwyn Garden City, Herts. (Welwyn Garden 29121).

Called the Bessey speed clamp, the base has a T-nut for fitting into machine table slots and securing the base—this can be moved the length of the table and rotated through 360 degrees. It carries a column on which a toggle clamp moves.

There are 14 clamps in the range with maximum operating heights from 60 to 240 mm. and with clamping pressures from 200 to 4,500 kg.

● HANDLING

Swarf and coolant separated

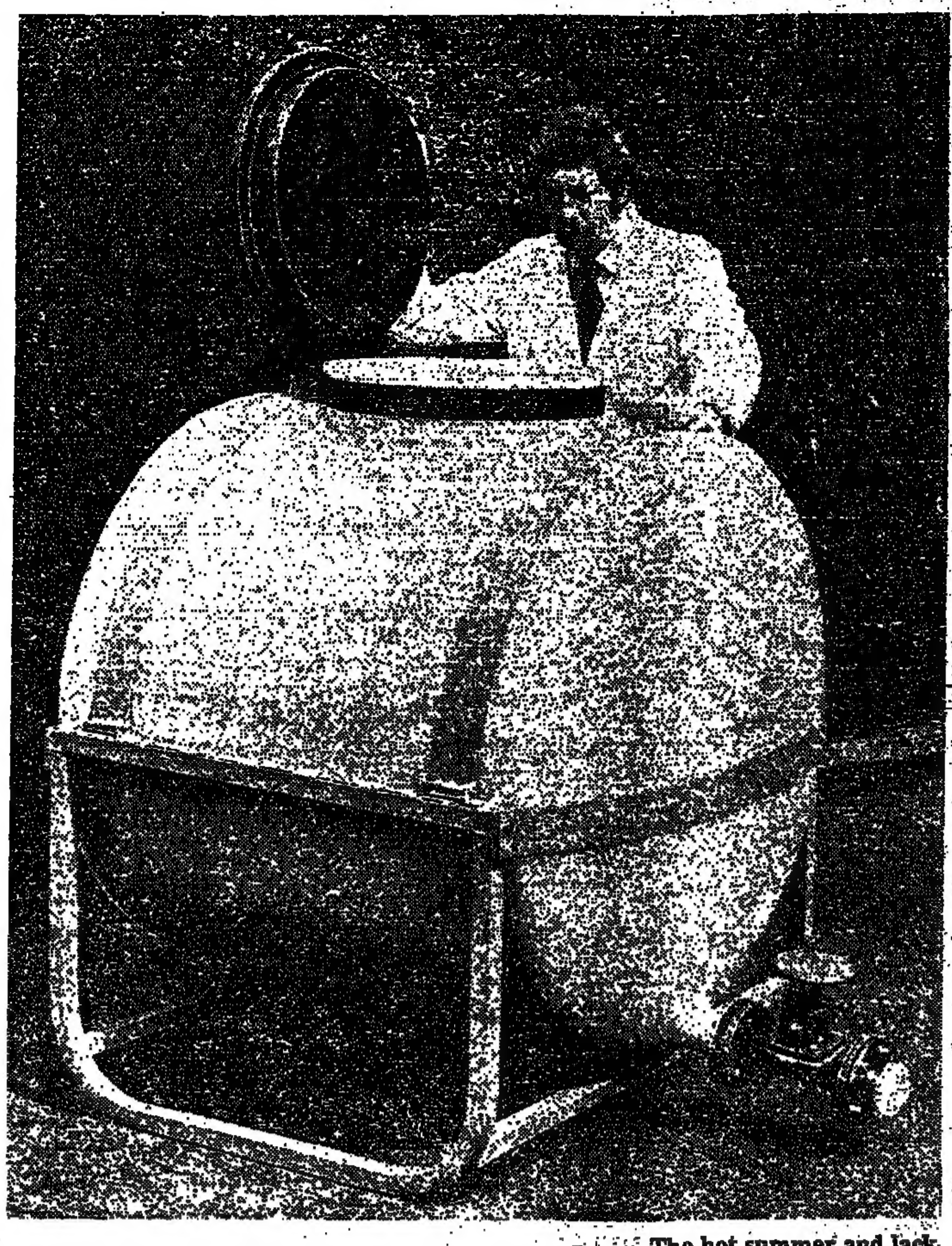
AT THE Perkins Engine Eastfield factory at Peterborough the highest volume production line is for the 4.236 four cylinder diesel engine, recently extended by the commissioning of a secondary machining section capable of boosting production by an additional 200 units per day to a total of approximately 650 a day.

One of the major problems with this operation is the vast amount of swarf generated in the initial machine operation—each crankshaft yields about 7 lbs of steel swarf requiring regular collection and removal.

On one operation the recent installation of an Eriez magnetic conveyor has provided an excellent solution to this problem. It removes all the swarf directly from beneath the lathe, delivering it straight into a waste trolley for immediate disposal or reclamation.

The dog-leg conveyor runs for eight feet under the lathe itself—totally immersed in the machine coolant—and then rises up at a 45 degree angle to about four feet above ground level at the discharge point. Consisting of a series of powerful permanent magnets moving within the sealed steel housing, the conveyor not only removes all the swarf from the machine, but is also highly economical in that, while the swarf is being carried up the conveyor, any coolant mixed with it can run back into the tank rather than be wasted.

Eriez Magnetics, Wilson Industrial Estate, Caerphilly, Mid. Glam. CF8 3ED, Caerphilly 868501.



The hot summer and lack of rain is bringing problems to some parts of the country but could bring good business to British Industrial Plastics. It has decided to increase production of these rotationally moulded water storage tanks which may be mounted on trailers or mounted in banks of three or four on road vehicles. Moulded from polythene, the tanks are supplied with capacities from 550 to 1,700 litres.

● PROCESSES

Mixing it in the foundry

A MAJOR NEW investment in a third generation of continuous mixers that further extend the use of chemically bonded sands in the foundry industry was announced yesterday at Peterborough by Mr. Norman Mountain, chairman and managing director of Baker Perkins.

Some 85,000 square feet of production space is being added to the foundry machinery division at Hebburn-on-Tyne, specifically to expand existing markets and develop new ones. This brings investment over the past three years to £4.5m. Further sales and service facilities have been acquired in America, the biggest market for foundry products and equipment, and Australasia, considered the area with the greatest potential.

"We are determined, despite the world recession in the foundry business to increase our share of business in chemically bonded materials," Mr. Mountain declared, adding that the new mixers would also contribute to improving the working environment and operating profitability.

An outstanding feature of the company's new Omega range is that it enables binder additions to be reduced by up to half—down to 0.8 per cent. against a previous 1.5 per cent. Besides decreasing the cost of mixed sand it is also claimed to produce better moulds and cores because the sand flows more easily.

● SAFETY

Single unit instead of nine relays

PROTECTION for electric motors is offered by a solid-state relay. Introduced by British Brown Boveri it is suitable for all synchronous and asynchronous three-phase motors up to 3 MVA. It uses large-scale integration (LSI) techniques to provide a capability and compactness unmatched by any other available motor protection relay.

It replaces the nine conventional relays which would be need fully to protect a modern motor and has an extremely low burden compared with conventional electro-mechanical relays. It can be simply adjusted to cater for 1 amp or 5 amp current transformer inputs, 50 or 60 Hz supply, or ac or dc auxiliary supplies. The selection is made by the user, in situ. This means that control-panel builders, for example, need stock only this one relay, which will be suitable for any motors within its stated rating.

Facilities available are: short-circuit protection, prolonged run-up or blocked rotor protection; two-stage overload protection; unbalance protection; and earth fault protection. Triggering temperature can be set to match the motor, and two-stage thermal protection is provided, as well as indications for every function.

If required, the setting of the instantaneous short-circuit protection element can be automatically halved after starting of the motor. This feature is particularly useful when there is a low system short-circuit level. This, of course, provides additional protection for the motor.

British Brown Boveri, Glen House, Stag Place, London, SW1E 5AH.

Adds smell to oxygen

IT HAS been standard practice in the U.S. for several years to present people moving into an all natural gas area for the first time with a "scratch and sniff" card containing in microspheres the rather unpleasant chemical added to the gas in public utility networks to warn users of leaks or of appliances that have not been properly turned off.

But it is not yet standard practice in Europe thus to identify other gases widely used in industry, leakage of which could create an even greater hazard.

One of these is oxygen, an enriched atmosphere of which can turn a lighter flame into a torch and make any accidental fire an inferno.

The West German company Pintsch Bamag Gastechnik has been manufacturing and installing an oxygen "smell tagging" unit which meters the amount of pungent chemical in function of the oxygen flow. This is standard in certain areas of German industry and should obviously be used anywhere large amounts of compressed oxygen are required.

Further from United Gas Industries, 216 Rowan Road, Streatham Vale, London SW16 5HY. 01-764 5011.

● RESEARCH

Tests new materials for pumps

TEST LABORATORY facilit[ies] recently completed at the Berg[en] works of Frank Mohn A[/S], pioneer of the submersi[ble] hydraulic operated pump, [will] enable the company to incre[ase] its full-scale research [and] development work in handl[ing] and pumping of liquid carg[o], offshore firefighting, undergro[und] storage and hydraulic transmi[s]sion systems.

The facilities will primar[ily] carry out endurance tests [on] actual pumps, pump materi[als] and pump components and mo[ni]tor strain, flow, temperature [and] pressure distribution du[ring] discharge operations. Proble[ms] which may occur in the t[ank] stripping stage, the influence [of] sediments upon pump life, [the] effect of various liquids on se[als] etc., will also be studied.

Tanks can be pressurised to 5.0 bar, simulating all ac[tual] cargo tank depths at which submerged pump would have [to] work.

An important task for [the] laboratory in connection w[ith] the transmission is to study [and] test silencers and noise reduc[ing] pipe fittings for hydrau[lic] systems.

In addition to the three la[rge] pressure tanks, the test hall [also] has a battery of small, stainl[ess] steel pressure tanks, each acco[m]modating a full size beari[ng] shaft, and seal arrangement [of] a full sized pump. These ite[ms] are all submerged in the tan[k] and the pump components c[an] be rotated by a hydraulic mo[tor] at a speed equal to that of [a] complete pump. Under su[ch] conditions the tank is pressuris[ed] and a full cargo tank can [be] simulated. These test rigs ha[ve] been developed especially [to] control the life and efficiency [of] various seal types and materi[als].

Further information fr[om] Frank Mohn U.K., 46, [...] Street, New Malden, Surrey ([01-]949 3476).

"Jack, we'd like you for the sales conference in Leeds on the 10th, O.K?"

"Fine."

"Jack, can you do that lecture in Bristol on the 10th?"

"Yes, sure."

"Jack, can you give us a product demonstration in Glasgow on the 10th?"

"No problem."

"Jack, how about lunch in London on the 10th?"

"Love to."

Most businessmen are expected to be in umpteen places at once.

Jack, here, can actually do it.

How? His secret is the Sony U-Matic.

A videocassette player/recorder specially designed to let businessmen make speeches or demonstrate products almost anywhere in the world.

While they're actually working at their desks.

For people whose business involves constant long-distance communication, it's a dream come true.

All you do is record your message, in colour or black and white, on to a Sony videocassette tape. (It can be anything from a chairman's report to a full sales conference presentation.)

Then the Sony duplicating station prints identical cassettes for you to send wherever you want.

The Sony U-Matic is the only video-cassette machine available in Britain that is instantly switchable to play back the American colour system (when used with a special Trinitron monitor), virtually making the whole world your oyster.

In Britain, U-Matic cassettes can be played back using any ordinary colour television set.

What's more they're the only ones with a totally enclosed tape, keeping it free from grease and dirt. They can also be played back ad infinitum, thanks to the special U-Matic Memory Control.

On top of all this, the U-Matic saves you more money than similar machines.

Because our tapes are cheaper to buy. And the U-Matic's record and playback heads last up to twice as long.

If you'd like to see the U-Matic in action, ring or write to our new Video Showroom for a demonstration, at Dept. FT/26/6 134 Regent Street, London W1. Tel: 01-434 1712.

You never know, you could become the best double act in your business.

SONY

ACCOUNTANCY APPOINTMENTS

Financial Controller

A recently formed reinsurance company, backed by three major Scandinavian insurance companies, requires a Financial Controller to join the young management team at their City of London Head Office.

The task will be to establish and direct the accounting function, devising a programme of priorities to meet the needs of the business as it expands in domestic and international markets. This will include fund management and the regular provision of key financial information to the board.

A Chartered Accountant with organising and administrative skills combined with the confidence and ability to work alone in a growing organisation are the main requirements.

The salary is negotiable and could be as much as £10,000. Age: mid-thirties.

Please write, in confidence, to F. J. F. Hall, Reference: 556.

McLintock & Whinney Murray
City Wall House
84 Chiswell Street
London EC1Y 4XT

Treasurer

London W.1.

c. £7,500 + car

A major British Group with turnover well in excess of £100 million (with plans for further expansion) and with substantial overseas interests, wishes to appoint a Treasurer.

This is a new appointment, reporting to the Group Finance Director, and will carry responsibility for all aspects of sterling and foreign currency management. A self-starter is required who will combine technical efficiency with the ability to develop the function and sell its services to senior executives in Group subsidiaries at home and overseas.

Candidates must have had relevant experience in the treasury function of a multi-national company and will also probably have had experience in banking. A knowledge of accountancy would be an added advantage.

(Ref. K7836/FT)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE
Tel: 01-235 6060 Telex: 27874

PA

FINANCIAL DIRECTOR

TYNE and WEAR **Up to £8,000 and Car**

An Engineering Company, operating in the field of pipework fabrication and erection on a large scale throughout U.K. seeks a Financial Director. It is a subsidiary of a large public company and there will be opportunities for promotion within the Group.

Chartered, Cost and Management and Certified Accountants are invited to apply. Commercial experience is essential, preferably in the engineering or construction trades. A knowledge of data processing is desirable.

The Company's management has considerable local autonomy and applicants should have the maturity and experience to operate at this level of responsibility.

Applications giving full details of qualifications and experience should be sent to:—

FINANCIAL SYSTEMS ADVISER
Epic House, Charles St., Leicester LE1 3SE

ON JULY 15TH

The Financial Times

is planning to publish

A SURVEY ON ACCOUNTANCY

EDITORIAL WILL DISCUSS VARIOUS SUBJECTS OF TOPICAL INTEREST TO ACCOUNTANTS AS FOLLOWS

1. Introduction
2. Auditor's Standards
3. Accounting Standards
4. International Accounting
5. Professional Accounting Firms
6. Accountancy and the City
7. Accountants in Industry
8. Education, Training and Career Opportunities
9. Machine Aids

This will be an ideal opportunity to advertise Services and Jobs of interest to Accountants.

Advertising Space is available in the Survey at a cost of £11.50 per column centimetre.

For further details contact:—
JAMES JARRATT on 01-248 8000 Ext. 539

Hoggett Bowers

Executive Search & Selection Consultants

Operational Finance

Our client is a European-based industrial group that operates internationally, employs over 10,000 personnel and has a turnover in the order of £150 million. Due to internal promotion and career progression the following four positions are offered, each with an above-average amount of operational involvement.

Deputy Divisional Financial Controller

Central London c £7,000+car

The Division is a world leader in its field and has operating companies in the UK, Europe, America, Australia and Africa. The successful candidate will be involved in the whole range of financial and commercial activities with particular responsibilities for the provision of accurate, timely and meaningful management information, and the interpretation thereof, for divisional management and for group purposes. A working knowledge of commercial French is highly desirable. *Ref: 21001/FT*

Regional Financial Controller

Southern Counties c £7,000+car

This is a new position within the regional structure of the largest operating division. The main emphasis will be on the development of effective financial control and management information systems to advise the Regional Managing Directors on all financial matters for local and group requirements and to assist in the formulation and execution of regional policy. *Ref: 21002/FT*

Each of the above positions will be filled by qualified accountants with at least 2 years' relevant post-qualification experience.

Two Regional Accountants

Central London c £4,500

Each will report to a Regional Financial Controller and will be involved in the whole range of financial and management accounting procedures. They are excellent opportunities for finalists who can communicate effectively, and who are capable of working with all levels of staff, to broaden their experience base. *Ref: 21003/FT*

J.A.T. Bowers, London Office.

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON 01-734 6852, Sutherland House, 5-6 Argyll Street, London W1E 6EZ. Offices also in Birmingham, Glasgow, Leeds, Manchester, Newcastle, Preston, Sheffield and Australia.

GROUP SECRETARY & FINANCIAL CONTROLLER

Property

City £8,000+

A substantial private group owning a number of well-known properties in the City requires an experienced Chartered Accountant as Financial Controller and Group Secretary.

The successful candidate will be responsible to the Board for financial and secretarial duties in the group, supported by a small head office staff, and should have a sound knowledge of corporate and personal taxation.

Salary, which would be negotiable from £8,000 per annum, would have full regard to age and experience and there exists an up-to-date non-contributory pension scheme as well as arrangements whereby the group provides contributions to BUPA.

Applicants should write in complete confidence with full details of previous experience and current salary to J. W. Hills, Annan Impey Morrish, Management Consultants, 40/43 Chancery Lane, London, W.C.2, quoting reference C/1255.

A.I.M.

Chief Accountant

Industrial Holding Company

To join a very well established public group of companies with a wide span of interests in both the manufacturing and service sectors of industry.

Reporting to the Managing Director, you will be responsible for the compilation of group accounts and budgets, advising subsidiary companies staff as required on financial/cost control procedures and assisting in the general appraisal of acquisition opportunities etc.

This would be a particularly attractive opportunity for a young Chartered Accountant, aged 25-30, preferably with industrial experience, who can now put related experience to full use and steer his or her career toward the broader aspects of general management.

The company has very pleasant offices in South Yorkshire and in addition to the salary, which is negotiable, in the region of £5,500, the company operates a non-contributory pension scheme and a company car is provided.

Please apply in confidence quoting Ref. 1679.

Leslie Coulthard Management
Brettenham House, 14 Lancaster Place, London WC2E 7EP
Telephone: 01-240 1605

Financial Director

Rome

c $25,000 plus housing allowance plus car

The primary function of a regional finance director in this multi-national corporation is to advise the regional managing director and to satisfy the information requirements of managers in the field which in this case extends from Austria to Zaire. The present holder of this job is being promoted.

Responsibility is to the director of the region who is based in Rome which is where the financial director will be located. His requirement is for a qualified accountant, preferably a CA or CPA, in the thirties, who has profitably influenced the managerial decisions of colleagues from differing backgrounds. This client puts a premium on fluency in French and German and on experience of consumer products.

The salary indicator is $25,000 which, together with housing and living allowances and a car, will add up to a total remuneration package worth about $40,000 per annum. Relocation expenses will be paid.

For a description of this job and an application form please write, in confidence, to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS 3552.

Corporate Finance Executives

West End To £10,000

A private banking and investment group has, through continued expansion and increasing involvement with a wide range of clients, identified the need for two senior executives to join its Corporate Services Department.

The interests of the Bank are both diverse and highly specialised. The positions to be filled, while partially advisory, nevertheless allow and will benefit from personal enterprise and entrepreneurial flair. This will therefore lead to greater freedom of one's activities and a closer relationship with clients.

The ideal candidates, male or female, are likely to be qualified accountants or numerate solicitors aged 26–32, probably having either a Business Degree or post-qualification experience gained with a Merchant Bank or in general management. They will be able to look forward to rewards directly related to their achievements and to a career away from their chosen professions.

The salary indicator will be extended for an exceptional candidate.

Contact John P. Sleigh, ACCA on 01-405 3499, quoting reference JS/150/CFA.

Lloyd Management

Browmow House, 50-51 High Holborn, London WC1V 6ER Tel: 01-405 3499

Financial Controller

Central London *£6,000+*

An old established City based company specialising in confirming and financing international trade are seeking an experienced accountant who will be responsible to the Managing Director for the finance function. Success in this appointment will lead to a Board position in the future.

The responsibilities of the position include overall control of the Accounts Department and documentation administration as well as management and statutory accounts.

Applications are invited from qualified accountants aged 30-40 preferably with confirming and finance house or merchant banking experience. A knowledge of mechanised accounting systems would also be advantageous.

Candidates of either sex should apply in confidence giving complete personal details and career history, quoting reference number FT/46/F to:

TYLB

Turquand, Youngs & Layton-Bennett,
Management Consultants,
11 Doughty Street, London, WC1N 2PL.

Chief Accountant

£8,000 to £10,000+benefits City

A leading established international reinsurance company, which currently has a world wide premium income in the order of £1 billion, based on the continent, wishes to appoint a key new member to the team which is developing its U.K. life reinsurance business.

Accountability will be to the London Manager, there is also a functional reporting relationship to the parent company. Responsibilities will be those associated with a newly established and rapidly growing Branch office. Particular emphasis will be placed on the development of control systems, accounting and management information, and the training of personnel.

A Chartered Accountant in the forties age range is preferred and experience at senior level in the accounting function of a life assurance company is vital. Competent client liaison skills and some overseas travel will be necessary.

Please write in confidence to Peter Barnett quoting Ref: 656.

Beckwell Management Search

A division of Beckwell Consultants Services Ltd. 84-86 BAKER STREET, LONDON W1M 1DL
Telephone 01-487 5[illegible] Telex [illegible]

ASSOCIATED WITH COMPANIES IN AUSTRALIA · BENELUX · CANADA · FRANCE ITALY · MEXICO · PUERTO RICO · SCANDINAVIA · SPAIN · USA · WEST GERMANY

Financial Controller - Staffordshire

circa £7,500

Work Wear Corporation, international manufacturers of industrial clothing, require a qualified accountant to act as Financial Controller of a recently acquired U.K. business. The appointee will report to the Director of European Operations and, functionally, to the Corporate Controller in Cleveland, Ohio.

The Financial Controller will additionally be responsible for co-ordinating accounts of two further European subsidiaries. This will involve development of accounting procedures, consolidation of accounts, analysis and control of financial resources, budgets, and profit plans. This is a new position offering an exciting opportunity to join a company at an early stage of its development in the U.K., and for the appointee to grow and develop with the company. The job will be of particular interest to qualified accountants with a minimum of three years commercial experience and the confidence and ability to progress to a wider role.

The commencing salary will be negotiated at about £7,500 p.a. Location – Tamworth, Staffordshire. Assistance with relocation expenses where appropriate.

Candidates should write for a personal history form, quoting reference MCS 1900 to Ashley S Phoenix, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

GENERAL APPOINTMENTS

Opportunities in Money Broking

We're looking for ambitious people to join our fast expanding organisation. We are M. W. Marshall & Co. Ltd., a leading international Money Broker, and we have vacancies for dealers in a number of departments.

You need to combine energy and initiative with the ability to work as a member of a small close-knit team.

Experience is not necessary if you have these qualities, although a financial background would be an advantage.

We offer a competitive salary which will be related to your initiative and performance. There are also excellent opportunities to work in one of our overseas offices.

If you are interested in joining us please write with full details of your career to date to D. G. Scotchbrook, Director, M. W. Marshall & Co. Ltd., 52 Cannon Street, London, EC4N 6LU.

M W Marshall & Company Limited

GENERAL APPOINTMENTS

c £10,000 p.a. Tax free
Manager—Marketing
MIDDLE EAST
Banking

Graduate or equivalent with successful record of bank marketing. Fluent English. Arabic an advantage but not essential. International experience an advantage. Man age 30-45 with ability to organise and train new department. Business acumen and entrepreneurial skills essential. Excellent fringe benefits include Bonus, Free furnished accommodation, Car allowance, medical/life cover. Generous leave arrangements.

Suitably qualified candidates please ring 01-493 7117 for application form quoting MRD 6036 (24 hour answering service).

MRD
Management Recruitment Division
BOYDEN INTERNATIONAL LTD.
11/15 ARLINGTON STREET, LONDON SW1A 1RD.
LONDON, PARIS, BRUSSELS, GENEVA, ROME, MILAN, MADRID, BARCELONA, BEIRUT, HONG KONG, CARACAS, MEXICO CITY, SAO PAULO, AUCKLAND, MELBOURNE, SYDNEY, JOHANNESBURG AND THROUGHOUT THE USA

MIRALANZA

is a long established Growth Company, based in Italy well diversified: in particular we are the market leaders for synthetic detergents, soaps and toiletries. We are looking for a

SALES ASSISTANT

TO MARKET EXPORT FOR OLEOCHEMICAL COMMODITIES

— Age: not over 35
— Background in chemistry required
— Business experience in oleochemicals field would be an advantage, but is not necessary
— Work in Genoa
— Knowledge of italian not necessary

This position requires a stimulating engagement and salary will be particularly interesting, in relation to the applicant's personality and experience.

Please send detailed curriculum to:

Box No. F439, The Financial Times, 10 Cannon Street, EC4P 4BY.

Non-Marine Underwriter Reinsurance London

A new and potentially very influential Underwriting Group has been set up with the aim of developing a London Market Proportional and Excess of Loss Account. The founder members of this Group, and its management organisation, are all of impeccable standing.

Anyone with relevant experience of building up a portfolio of Reinsurance business, who would like to know more about this challenging and very rewarding post, is invited to contact our Managing Director, Mr. D. R. Whately, who himself possesses a London Market background.

Complete confidentiality is guaranteed and it is appreciated that initial approaches will be of a mainly exploratory nature.

WHATELY PETRE LIMITED,
Executive Selection, 6, Martin Lane,
London, EC4R 0DL Tel: 01-623 8430.

SUN HUNG KAI SECURITIES LIMITED

A leading Hong Kong stockbroking and financial entity is seeking a

SENIOR MARKETING EXECUTIVE

whose duty is to market Hong Kong stocks in Europe. Candidates should have at least 2 years experience connected with marketing and/or research in Hong Kong stocks.

Benefits: ★ Salary £12,000 plus p.a.
★ Bonus
★ 3 weeks annual leave

Please address correspondence to:—
Personnel Manager,
Sun Hung Kai Securities (UK) Ltd.,
Bucklersbury House,
5th Floor, North Wing,
3 Queen Victoria Street,
London, EC4N 8DX

BANK SHARE ANALYST

A leading firm of Stockbrokers with a recognised position in the Banking Sector has a vacancy in its Research Department for a Bank Share Analyst. The vacancy is arising from the promotion of the present Analyst. The position will be attractive to an Analyst who wants to make his reputation in the Sector with a large firm and with the backing of a research-orientated Institutional Sales Department.

Specialisation of at least 3 years in the Sector is essential, and other desirable qualifications include a relevant university degree or professional qualification. The total reward for the right person would be substantial and could be in the five-figure area.

Applications will be forwarded direct to our client. Please indicate in a covering letter any firms to whom you do not wish your application to be sent.

Please send detailed curriculum vitae, quoting ref. 830 to:—

W. L. Tait,
Touche Ross & Co.,
Management Consultants,
Executive Selection Division
4 London Wall Buildings, London EC2M 5UJ
Tel.: 01-588 6644.

Chief Economic Adviser

£12,465

The Chief Economic Adviser has a staff of 20 professional economists who advise Ministers and senior administrators on a wide range of departmental activities and policy issues.

The programme of work falls into 3 main areas: Health and Personal Social Services including the programme budget, the departmental planning system, resource allocation and cost benefit evaluation of medical developments; social security provisions for each of the main client groups; standards of living, distribution of income, equivalence scales and poverty studies.

Candidates must have had experience of an appropriate kind in an economic advisory capacity, or in research, or in teaching advanced economics. They should be economists of high professional standing, preferably with published work to their credit. The post calls for professional and administrative qualities of a high order, for originality and substantial management ability.

The appointment is pensionable and may be permanent or for a fixed period with the possibility of re-appointment for a further term.

For further details and an application form (to be returned by 15 July 1976) write to Civil Service Commission, Alencon Link, Basingstoke, Hants. RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours) or London 01-839 1992 (24 hour answering service). Please quote ref: A/9316/4

Department of Health and Social Security

EXECUTIVE SELECTION & SEARCH CONSULTANT-DIRECTOR

London £10,000-£15,000

Freedom and Fee Sharing If you are an accomplished selection and search consultant, proud of your professionalism, enjoy an excellent relationship with your clients and seek greater freedom and up to 50% share of your fee income, then you should seriously consider joining Merton.

Share in Merton's Success Our practice is led by Michael Silverman, MIPM, MInstAM, former Chief Executive of one of the U.K.'s largest consultancies, with twenty years' highly successful track-record in Marketing, Finance Consultancy and City affairs. Plans are now well advanced for Merton's development in 1976-77.

As a Consultant-Director you will be expected to play a key role in the development of what is fast becoming an established practice, operating both in the U.K. and overseas. Our success in the first half of 1976 has been considerable. Our assignment schedule for the coming months is already assured. Why not share in our success . . . become a vital part of our small tightly-knit team?

Attractive and Flexible Remuneration Package Our policy is to remunerate via: Generous Basic Salary + 50% share of your fee income + Substantial Expenses + 4 weeks' holiday p.a. etc., etc. Effectively you can choose your package. Given your success we will meet your specific requirement.

ACT NOW! Arrange a meeting with Michael A. Silverman. Telephone 01-248 7421 or 01-248 1344 (24-hr Ansaphone).

MERTON ASSOCIATES (CONSULTANTS) LIMITED
Regina House, 1/5 Queen Street, London EC4N 1FP
Executive Search & Management Consultants

Industry and Corporate Analysis

c.£7500

This leading Scottish financial institution seeks an able person to develop its expertise in industry and corporate analysis. The person appointed will provide support and advice to all principal lending areas through in depth studies of industry and individual company financial structures and performance. Candidates, male or female, probably aged over 30, should be business graduates or accountants who have held a similar analytical role in a leading stockbroking firm or a commercial or financial organisation. This is a particularly interesting and demanding role which offers considerable scope for personal development.

Salary is negotiable around £7,500 and excellent fringe benefits include subsidised house mortgage scheme and non contributory pension. Generous assistance will be given with relocation costs to Edinburgh.

(Personnel Services Ref: AA45/5655/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Management Consultants Ltd.,
Personnel Services Division, Hyde Park House, Knightsbridge, London SW1X 7LE.

A member of PA International

CONFIDENTIAL REPLY SERVICE

Export Finance Executive

Our client, a leading engineering Company based in London, has a vacancy for an Export Finance Executive aged 25-40.

General commercial experience, coupled with a background preferably in both exporting and finance is essential. The main requirement, however, is a good personality and the ability to deal at a senior level in all sectors of industry and commerce.

This is an extremely interesting and responsible position giving the successful applicant, male or female, every opportunity to build a worthwhile career. The job will *entail a limited amount of travel.*

Salary is negotiable and will be based on qualifications and experience.

To apply, please write with relevant career details to Miss S. A. Turner at the address below. Please list companies that don't interest you in a covering letter.

HAMILL TOMS RECRUITMENT
P.O. Box 34,
Oriel House, Oriel Road,
Cheltenham, GL50 1XS.

IMPERIAL TOBACCO INTERNATIONAL LTD.

require a

LEAF AND PRODUCT DEVELOPMENT MANAGER

to join their production team. This appointment is based in London, but involves frequent travel abroad. Candidates should have a thorough working knowledge of all types of tobacco leaf and the preparation of a wide range of tobacco products. Knowledge of a European language would be of advantage. An attractive salary will be paid and generous assistance with removal expenses etc. will be provided. Replies should be addressed to:

The Managing Director,
Imperial Tobacco International Ltd.
235 Old Marylebone Road, London, NW1 5QT

and should include a brief resumé of career to date.

PORTFOLIO MANAGEMENT

We are a leading firm of shipbrokers and we require an experienced person to centralise the administration of several share portfolios including liaison with managers and stockbrokers. The successful applicant will also assist in the administration of other financial assets including property and commodities.

Salary c. £3,600.

Please write giving full details to:

The Finanacial Director,
Eggar, Forrester (Holdings) Ltd.,
Rodwell House,
Middlesex Street,
LONDON E1 7HJ.

Rowe & Pitman, Hurst-Brown

SENIOR ANALYST
CHEMICALS AND PHARMACEUTICALS

Rowe & Pitman, Hurst-Brown has a vacancy in its research department for a senior analyst who will be required to lead and develop the research effort in the chemical/pharmaceutical sector. The post requires an experienced, mature analyst, probably aged 25/35, who can carry out fundamental in-depth studies and communicate to clients both verbally and by concise written reports.

Good salary with profit-sharing bonus. Non-contributory pension scheme and life assurance. Subsidised staff restaurant.

Applications to:—
P. N. Smith,
Staff Manager
Rowe & Pitman, Hurst-Brown,
First Floor, City-Gate House,
39/45 Finsbury Square,
London EC2A 1JA.

R&P

General Appointments are continued today on the following page

---

KUWAIT AIRWAYS CORPORATION

AIRCRAFT HANGAR CONSULTANT

Kuwait Airways Corporation, the national airline of Kuwait, wish to enlarge their Boeing 707 hangar to accommodate wide bodied jet aircraft

Kuwait Airways invite offers from consultants fully competent and with experience in this type of hangar alteration to advise on this project

In addition advice will be required regarding:—
the erection of a hangar for executive jet aircraft,
building for a modern catering establishment with kitchens,
building for an aero jet engine maintenance workshop

This work will be subject to competitive tenders

Please address correspondence to:—
SENIOR DIRECTOR
KUWAIT AIRWAYS CORPORATION,
P.O. BOX 394,
KUWAIT

GENERAL APPOINTMENTS

London Regional Management Centre

APPOINTMENT OF

Director

Applications are invited from persons qualified by academic attainment and by managerial achievement for appointment as first Director of the newly-created London Regional Management Centre.

The Centre is one of two Regional Management Centres designated by the Department of Education and Science for London and the Home Counties. It will be a self-contained institution within the Polytechnic of Central London, having as founder members the five Inner London Polytechnics and South West London College, and with affiliation open to Management Departments of Polytechnics and Colleges within the area.

The Centre will be concerned with identifying the major management training needs of the region, and with the effective development and employment of resources on a voluntary collaborative basis.

Appointment in the first instance for three years. Secondment considered. Salary in accordance with that of a grade VI head of department in the Burnham FE Report, but would be within the range £8,500-£9,315 (inclusive of London Allowance).

For further particulars write to:
F. W. Oakley, Esq. CBE,
Chairman Formation Committee,
c/o Polytechnic of Central London,
309 Regent Street, London, W.1.

MARKETING MANAGER

The Publishing Department of the Business Enterprises Division of the Financial Times Limited is seeking a marketing manager to handle sales of business research studies, yearbooks, management diaries and other publications now being planned.

The essential requirements are:

- ★ previous marketing experience in publishing, preferably business books;
- ★ complete familiarity and good experience in direct mail selling;
- ★ knowledge of and good contacts in the trade;
- ★ experience in U.K. and overseas markets

The successful candidate will probably be in his/her late twenties or early thirties. The appointment is a demanding one: there will be a need for travel both in the U.K. and abroad. Salary will be related to experience and qualifications.

Full details please to:
Mr. Charles Croot,
Publishing Director,
Business Enterprises Division,
The Financial Times Limited,
10 Bolt Court, Fleet Street,
London EC4A 3HL.

EXECUTIVE POSITIONS

WORLDWIDE

EXECUTIVE EMPLOYMENT BULLETIN
A McGraw-Hill weekly airmail bulletin from England transcribes verbatim from leading European and U.S. newspapers and direct sources, dozens of management recruitment advertisements of positions suitable for internationally minded executives.

TECHEXEC
for engineering and technical executive jobs to which anyone regardless of nationality may apply.
Verbatims for both bulletins include name and address of adviser, name and date of newspaper.

U.K.-posted First Class. 13 weeks for £13.00 prepaid.
Elsewhere-posted Airmail-13 weeks for $35.00 prepaid.
Mailing envelope marked "Confidential."

Order with cheque specifying which bulletin you require to:
INTERNATIONAL MANAGEMENT EMPLOYMENT BULLETINS,
Box 127, McGraw-Hill House,
Maidenhead, Berkshire, SL6 2QL, England.

GENERAL MANAGER
(Designate)

required by Irish food manufacturing company—subsidiary of world wide international organisation.

The person selected, who will be aged between 35-45 years, will be required to serve overseas for training for some years before taking up position as general manager. The position carries a distinct possibility of a seat on the Board and ultimately managing Directorship. Say before 31st July why you think you are qualified to fill such a position. Salary will be by negotiation but for the right man will be not less than £7,000 per annum.

Replies in writing to Francis J. O'Mahony & Co., Solicitors, New Road, Clondalkin, Co. Dublin, Eire. Ref. F.J.O'M.

INSTITUTIONAL SALES

A leading firm of London Stockbrokers with specialised American research is expanding its American coverage of UK institutions. A sales executive aged 25-35 is sought with stockbroking experience and an understanding of American markets.

The successful applicant, who will receive an attractive remuneration package of salary and bonus with non-contributory pension scheme and life cover, must have the personality to work in a small team visiting and communicating with institutional clients.

Applications with full C.V. to Box A.5609, Financial Times, 10, Cannon Street, EC4P 4BY.

EUROPEAN SALES MANAGER—UK BASED

[illegible]

Applications to,
MR. W. F. COUPE, Wm. Coupe (Higher Walton) Limited,
The Foundry, Higher Walton, Preston PR5 4DQ.
Telephone: Preston (0772) 38151.

THE COUPE FOUNDRY

LEADING STOCKBROKING FIRM

requires

EXPERIENCED PERSONAL ASSISTANT

Male or Female

for partners primarily involved in institutional business, fully competent to carry out private client and other reviews, prepare investment schedules etc. unsupervised, undertake some shallow research. Salary by negotiation.

Pension Scheme. Write giving details of experience to Box A.5227, Financial Times, 10, Cannon Street, EC4P 4BY.

Assistant to Partner required by LONDON STOCKBROKERS

This post will combine clerical duties with a general investment training, and we would be particularly interested in applicants currently taking "A" levels, who anticipate good pass grades. Please write Box A.5614, Financial Times 10, Cannon Street, EC4P 4BY.

FINANCIAL ACCOUNTANT to £6,000 p.a. West London. Record Co. Urgently need a dynamic young A.C.A. to take full responsibility of financial accounting systems. Creative and progressive job. Tel Pam Austin on 01-631 6393 ADPOWER.

APPOINTMENTS WANTED

VERSATILE CHARTERED ACCOUNTANT
YOUNG 43

seeks permanent position or assignments where his considerable experience of Financial and Management Accounting, Personal and Corporate Taxation, Stockbroking, accounting and office procedures and investment can be utilised to mutual advantage. Write Box A.5615, Financial Times, 10, Cannon Street, EC4P 4BY.

CHALLENGING SENIOR POSITION

in General or Financial Management required by multilingual English qualified Accountant late thirties. Wide range of top level experience in international business. Presently Benelux based, but can relocate anywhere for right position.

Apply Box A.5616, Financial Times 10 Cannon Street, EC4P 4BY

HIGHLY SUCCESSFUL AND QUALIFIED INTERNATIONAL MANAGING DIRECTOR

(employed), age 48, seeks employment with profit-sharing or partnership considered. Speaks several European languages. Current business volume $5 Mill. References from leading industrial companies. Please write Box A.5612, Financial Times, 10, Cannon Street, EC4P 4BY.

CHARTERED SURVEYOR

whose recent work has involved management and reorganisation of London industrial companies affairs, sale of surplus properties and acquisition of residential properties and rehousing of tenants to facilitate expansion, wishes to work for export orientated industrial company. Remuneration negotiable.

Apply Box A.5617, Financial Times 10 Cannon Street, EC4P 4BY

BUSINESS PROBLEMS WANTED. Transatlantic team (Harvard Business School student and City graduate) seek short term consultancy work. 01-289 3724.

LEGAL NOTICES

No. 002020 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of INTERFLOR TRADING COMPANY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 14th day of June 1976 presented to the said Court by ASPELL SAGGERS & COMPANY LIMITED whose registered office is at [illegible] High Street, Ramsey, Huntingdon, Cambs., and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 19th day of July 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

CLIFFORD WATTS, COMPTON & CO.,
67 Stoke Newington Road,
London, N.16.
Agents for —
SERJEANT & SON,
Ramsey, Cambs.
Solicitors for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person or, if a firm, the name and address of the firm and must be signed by the person or firm or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 16th day of July 1976.

FORK LIFT TRUCKS. Second hand but look like new. Choice of 100 trucks at prices well below half cost of new! 1 ton to 25 tons, ready for immediate delivery. Trade and export welcomed. Large reduction on bulk purchase. List and photographs on application. Birmingham Fork Lift Truck Ltd., 4-6 Hams Road, Saltley, Birmingham B8 1DU. Tel: 021-327 5944/5. Telex: 337052.

ART GALLERIES

MARLBOROUGH, 6, Albemarle St., W.1. Important Works by Contemporary Artists ARIKHA, AUERBACH, BACON, BOTERO, CHADWICK, GENOVES, KITAJ, KOKOSCHKA, MOORE, NICHOLSON, NOLAN, PAULOZZI, PASSMORE, PIPER, SUTHERLAND. Mon.-Fri. 10-5.30. Sat. 10-12.30 until 31st July.

REDFERN GALLERY. KAREN SZEKESSY. Photographs, Heliographs and Collotypes. 10 June-30 June, 20, Cork Street, London, W.1.

ROYAL ACADEMY OF ARTS. SUMMER EXHIBITION. Weekdays 10-6, Suns. 2-6. Adm. 60p (Mons. 30p). A MICHELANGELO AND OTHER TREASURES IN THE PRIVATE ROOMS. Except Tuesday. Adm. 50p.

HENRI MATISSE—Paintings and Drawings—Victor Waddington, 25, Cork Street, London, W.1. Daily 10-1, 2.15-5.30. Sats. 10-1. Until 10 July.

BEDFORD HOUSE GALLERY. OLD PERSIAN POPULAR PAINTING. 106 Kensington Church Street, W8. 01-229 8156. Tues.-Fri. 10-1, 2-6. Sat. 10-1.

CLUBS

GARGOYLE, 60 Dean Street, London, W.1. STRIPTEASE FLOORSHOW. SEX UNLIMITED. Show at midnight and 1 a.m. Hostesses. Mon.-Friday. Closed Sat. 437 6455.

EVE, 189 Regent St. 734 0557. A la carte or All-in Menu. Three spectacular Floor Shows 10.45, 12.45, 1.45 and music of Johnny Hawkesworth and Friends.

Don't get taken for a ride—Get taken to The Gaslight, London's more reliable venue for your personal or prestige business entertaining. Excellent Shows. Friendly Company. 9.00 p.m. until the early hours. Tel.: Day 734 1071, after 8.00 p.m. 930 1648. Cover Charge £3.00. 4, Duke of York Street, S.W.1.

CINEMAS

PLAZA 1 & 2, Regent St., S.W.1. 839 6494. Sep. Perfs. All seats bookable for eve. perfs. Box Office 11 a.m. to 7 p.m. (not Suns.). No 'phone bookings. 1. LOVE STORY (AA). Wkdays. 2.20, 4.10, 6.20, 8.35. 2. KELLY'S HEROES (A). Daily 2.00, 5.00, 8.00.

PRINCE CHARLES, Leic. Sq. 437 8181. 2nd Year. The One and Only Original EMMANUELLE (X). Sep. Perfs. Div. (inc. Sun.) 2.45, 6.15, 9.00. Lte. Show Fri. & Sat. 11.45. Seats Bkble.

SCENE 1, 2, 4, LEIC. SQ. (Wardour St.) 439 4470.
SCENE 1. Cont. Perfs. Dly. 12.30. Late Show Fri. & Sat. 11.55. Redford/Hoffman ALL THE PRESIDENT'S MEN (AA). Progs. 12.30, 2.55, 5.55, 8.55. Lte. Show Fri. & Sat. 11.55.
SCENE 2. Cont. Perfs. Dly. 1.00. Lte. Show Fri. & Sat. 11.30. Al Pacino DOG DAY AFTERNOON (X). Progs. 1.00, 3.35, 6.15, 8.50. Lte. Show Fri. & Sat. 11.30.
SCENE 4. Cont. Perfs. Dly. 12.58. Lte. Show Fri. & Sat. 11.50. JAWS (A). Progs. 12.55, 3.35, 6.20, 9.05. Lte. Show Fri. & Sat. 11.50.

WARNER WEST END, Leicester Square. Tel: 439 0791.
1. JAMES DEAN in EAST OF EDEN (AA). Sep. progs. Wk. 1.20, 3.40, 6.00, 8.20. Sun. 3.30, 5.30, 8.10. Late show Sat. 11.00 p.m.
2. REDFORD/HOFFMAN. ALL THE PRESIDENT'S MEN (AA). Sep. progs. 2.05, 5.05, 8.05. Late show Fri. & Sat., 11.00.
3. BARRY LYNDON (A), a film by STANLEY KUBRICK starring RYAN O'NEAL, MARISA BERENSON. Sep. progs. 2.30, 7.30. Late show Sat. 11.00 p.m.
4. FEDERICO FELINI. AMARCORD (X). (English Language). Cont. progs. 1.10, 3.30, 6.00, 8.25. Sun. 3.30, 6.00, 8.25. Late show Sat. 11.00 p.m.

MOTOR CARS

LANCIA
THE SURREY MAIN DEALER
CHEESEMAN & EDWARDS LTD.
PERSONAL ATTENTION OF PROMPT DELIVERY OF NEW AND USED MODELS
HIGH ST., CATERHAM HILL
TEL. CATERHAM 42385/6

CLASSIFIED ADVERTISEMENT RATES

FROM 1st JULY 1976

Industrial & Business Premises	*per line* 3.30	*single column cm* 11.00
Businesses for Sale/Wanted	*per line* 3.30	*single column cm* 11.00
Residential Property	*per line* 2.50	*single column cm* 7.00
Appointments	*per line* 3.30	*single column cm* 11.00
Business & Investment Opportunities, Corporation Loans, Plant & Machinery, Production Capacity	*per line* 4.00	*single column cm* 13.00
Education, Motors, Contracts & Tenders, Personal, Gardening	*per line* 3.00	*single column cm* 10.00
Hotels & Travel	*per line* 2.75	*single column cm* 8.00
Book Publishers		*single column cm* 6.00
Premium positions available (Minimum size 40 column cms)		£1.00 per single column cm extra

for further details write to:
Classified Advertisement Manager
Financial Times, 10 Cannon Street, EC4P 4BY

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Convert Idle Plant TO CASH IN ONE DAY

We invite Chairmen, Directors, Receivers and Liquidators with SURPLUS PRODUCTION CAPACITY to contact us.

We will pay top prices for the entire contents of factories. Alternatively we will sell on your behalf, GUARANTEEING the minimum figure we expect to realise. We offer attractive payment terms.

If you do not know of our professional ability SEE US in operation next week June 28-July 2, as we sell 1,200 machine tools, by order of the Joint Receivers and Managers of

NORTON VILLIERS TRIUMPH (MANUFACTURING) LTD.
AT GOLDEN HILLOCK ROAD, SMALL HEATH, BIRMINGHAM.
Ask for Pat Reilly or call him after the sale at 01-222-3698

NORMAN LEVY ASSOCIATES OVERSEAS INC.
P.O. Box 119, London SW1P 3DT.

YOUR BUSINESS TRAVEL IS OUR TRAVEL BUSINESS

If your business makes you travel anywhere be it Bombay, Berlin, Bangkok, Boston or Bahrein, your first call from your own office should be to Renwicks Travel.

Since 1881 Renwicks have been Travel Agents and have always eased the problems of the Traveller, from the days of boarding the Transatlantic Packet to the present supersonic era of Concorde.

Let us take care of your business travel problems, our expertise will allow you to relax for the travelling.

RENWICKS Travel

City Gate House, Finsbury Square, London, E.C.1. Tel: 628 8151.

90/93, High Holborn, London, W.C.1. Tel: 405 4511/2.

Also at Basingstoke 3340, Bournemouth 23787 & 45887, Camberley 24411, Epsom 26477, Feltham 890 2259, Horley 3213, Salisbury 28662, Weybridge 48265, Winchester 61493, Worthing 204641.

42 Branches in the South, West and Midlands.

Finance for Growing Companies

If you are a shareholder in an established company and you, or your company, require between £100,000 and £1,000,000 for any purpose, ring David Wills, Charterhouse Development.

Investing in private companies as minority shareholders has been our business for over 40 years. In association with leading institutions we have now formed a new company, Charterhouse Development Capital Limited. This company has substantial funds to invest in both quoted and unquoted companies earning more than £50,000 a year.

CHARTERHOUSE

Charterhouse Development, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Telephone: 01-248 3999.

PROPERTY INVESTMENT IN CANADA

15 MILES FROM TORONTO

Partnership available in the development of 105 acres of land into 10 estate lots.

CAPITAL REQUIREMENT $150,000.00

Owner is a firm of Consulting Engineers active in development.

Enquiries to:
ESI Engineering Limited, 250 Merton Street, Toronto, Ontario.
Telex: 06-23764 ENGESI

COMPANIES WANTED
MANAGEMENT AND COMPUTER CONSULTANCIES

Management Consultancy company wishes to purchase a controlling interest in a small medium size (annual turnover £50,000-£500,000) consultancy or service company specialising in:—

- specialist computer programming and system support services.
- distribution, transportation or materials handling consultancy
- general management consultancy.

To arrange a preliminary discussion please contact Box No. E.8156, Financial Times, 10, Cannon Street, EC4P 4BY.

14% PER ANNUM

Interest paid on deposit account. Paid gross. No tax deducted. Minimum deposit £100. Minimum period 11 months. Special rate for £10,000 plus.

Full particulars from:
FIRST FAVELL FINANCE LTD.
182 Birchfield Road East, Northampton NN3 2HG. Telephone: 0604 714830

FIRE DETECTION

Group member of internationally known British public company is desirous to negotiate with British or European manufacturers of FIRE, INTRUSION, SECURITY, PROTECTION, DETECTION products and systems and the following propositions: acquisition, participation, "own brand" distribution leading to manufacture under licence.

Principals only (no agents), *please write to the Managing Director, Box E.8218, Financial Times, 10, Cannon Street, EC4P 4BY.*

NATIONAL KNOWN KNITWEAR COMPANY
Long established

Nation-wide sales network. 1,500 Accounts in better end of menswear trade now seeks to increase product range by adding casual wear and the like. Sports Shirts, Swimwear, Socks, etc. Could interest manufacturer by way of merger or selling arrangement. Write Box E.8220, Financial Times, 10, Cannon Street, EC4P 4BY.

LEISURE AND ENTERTAINMENT

A newly formed private company controlled by Chartered Accountants is able to provide expertise and funds for sound projects in the above industries. New and existing ventures considered.

Write Box E.8221, Financial Times, 10, Cannon Street, EC4P 4BY.

FUNDS AVAILABLE

At 2% over Bank Rate for Re-Mortgage and House Purchase over 25 years. Funds for Commercial and Investment mortgage over 15 years at 13%. Building Finance up to 100% available for Development of prime sites.

ROBERCOURT LTD.,
Graham House, Aston-under-Hill, Evesham, Worcs.
Tel: *Ashton-under-Hill 314 (Midlands and North)*
01-370 6824 (London and South)

WANTED FINISHED PRODUCTS INCORPORATING REPETITION TURNINGS

A major company with Repetition Turning and assembly capacity is seeking finished products to manufacture and distribute. Please reply to Box E.8216, *Financial Times*, 10, Cannon Street, EC4P 4BY.

ACQUISITION SOUGHT

Substantial Group of Service Companies seeks to diversify through acquisition. Very open minded, but emphasis on sales orientated, bulk market organisation.

Please reply to Box E.8199, Financial Times, 10, Cannon Street, EC4P 4BY.

Arkansas, USA

State of Arkansas
European Office of the Governor
Avenue Louise, 437 Bt 4
B-1050 Brussels,
Belgium

For information on plant location and trade opportunities, contact Robert Adcock or Thorkil Strigel, European Representatives, Tel. (2) 649 60 24.

Midlands based Engineering Group Require AGENT

to cover range of products to the General Engineering Industry and Petro-Chemical Industry. Experienced people only please.
Write Box E.8193, Financial Times, 10, Cannon Street, EC4P 4BY.

ISLE OF MAN OFFSHORE TAX SAFEGUARD

Grasp the opportunities in a low tax area. We specialise in the formation of companies including nominee appointments, secretarial services, general agency work, telex and general consultancy including commercial loan placements.
Full details from J. C. Brown A.I.B., BROWN BROTHERS, 11 Athol Street, Douglas, Isle of Man. Telephone 0624 23411.

YOUR OFFICE IN REGENT STREET

- Luxury furnished private offices
- Prestige business address
- 24-hour telephone answering
- Telex, secretarial, Xerox

ADFONE BUSINESS SERVICES
150 REGENT STREET, W.1.
Day 01-734 9571. Eves. 01-734 5351.

FINANCE REQUIRED BY

Recently established company with excellent growth potential, to take advantage of frequent and exceptional offers to purchase equipment for resale. Company already trading with substantial facilities which apply to the purchases allowing increased profit. Short or long term funding with good return on investment secured against the purchases. Will consider other proposals. Knowledge of machinery and markets home and overseas. Write Box E.8215, Financial Times, 10, Cannon Street, EC4P 4BY.

LIMITED COMPANIES

FORMED BY EXPERTS
FOR £72
READY MADE £80
COMPANY SEARCHES
EXPRESS CO. REGISTRATION LTD.,
30 City Road, E.C.1.
01-628 5435/5/7361/9936.

GUERNSEY TRUST COMPANY

offers a very wide range of facilities, including company management, trust administration, investment portfolio management and taxation advice. Our subsidiary in Switzerland provides similar facilities for residents outside the Sterling Area. *Brochure available on request.*

FORT TRUSTEES LIMITED
39/41 High St., St. Peter Port, Guernsey, Channel Islands. Tel: 0481 24016. (4 lines).

SHELL WANTED

with cash assets of £300,000 plus, to acquire for shares engineering company making £200,000 profit. Board control required but representation for existing directors acceptable.

Write Box E.8181, Financial Times, 10, Cannon Street, EC4P 4BY.

PRIME CALIFORNIA FARMS

Highly productive, excellent income and capital gains, top management, long term bank financing. As a $157,000—only serious enquiries.

European Office:
Pacific Agri-Lands,
Edificio Altamira 2°
Marbella, Spain.
Tel: (952) 77-33-89.

SUCCESSFUL ENGLISH ENTREPRENEUR (40s)

now living abroad has substantial money but limited time to devote to diversification. He seeks someone with money-making potential whom he can back with cash and experience to their mutual advantage. Please write with sufficient detail to encourage a meeting. Write Box E.8217, Financial Times, 10, Cannon Street, EC4P 4BY.

DO YOU SELL

to CTN outlets? A limited group of distributors is being selected to deal on advantageous terms direct with shipper of children's Toy/Confectionery Novelties. This could be of mutual interest if you are effectively and substantially active in this market anywhere in the U.K. and genuine applications to participate will be seriously considered. Please advise area you cover and brief operational details to Box E.8219, Financial Times, 10, Cannon Street, EC4P 4BY.

MANUFACTURING COMPANY WANTED

An option to acquire early control of a medium sized Company is sought by a Group Managing Director (47), now able to contribute, full-time, his proven record of success and profitability. Capital available.

Replies to:
Box E.8186, Financial Times, 10, Cannon Street, EC4P 4BY.

WHO WILL PROVIDE THE BEDS REQUIRED TO REPLACE THE N.H.S. PRIVATE SECTOR?

Freehold site with full planning permission for 142 beds close to Harley Street, ready for immediate construction will provide a most important contribution. Estimated cost of building £5m. Further details, plans, etc., to principals only.

Write Box E.8140, Financial Times, 10, Cannon Street, EC4P 4BY.

MANUFACTURERS

A short term of part-time metallurgist, chemist, physicist for advice/practical assistance to start your technical project? Graduate, industrially experienced partners.

Please write:
Broomfield Information Services,
265, Green Lanes, N13 4XE.

REFRIGERATED FOOD DISTRIBUTION DEPOT

Modern premises situated on industrial estate South Coventry. Approx. area 6,000 sq ft containing 9,250 cu ft refrigerated space, 11,100 cu ft deep freeze space, 1,560 sq ft food preparation area, offices, etc. Good vehicle access, convenient for motorway network. For sale or lease £60,000/£6,000. Further particulars from Dallern & Co., Chartered Accountants, 12 Parade, Leamington Spa. CV32 4DX.

JERSEY INVESTMENT MANAGEMENT COMPANY

Wishes to expand by taking in working partner who should be conversant with Stock Exchange procedures and trust administration. He should also have potential business to introduce.

Write Box E.8178, Financial Times 10 Cannon Street, EC4P 4BY

DO YOU NEED:—

STAND-IN MANAGEMENT?
EXECUTIVE SEARCH?
REORGANISATION EXPERTISE?
COULD YOU USE EXTRA FINANCE?
ARE YOU INTERESTED IN SELLING YOUR BUSINESS?

Contact:
Crowther, Gale Associates Ltd.,
Tenterleas House, St. Ives, Cambs.
Telephone (0480) 63439 Telex 32[illegible]

IBM ELECTRIC TYPEWRITERS. Factory reconditioned and warranted by IBM. Buy—save up to 50%. Lease—3 years from £2.20 weekly. Rent—from £18 per month. Phone Vertex 01-641 2365.

SELECTION OF High-Yielding SHOP INVESTMENT PROPERTIES available. Let on full repairing insurance leases with frequent rent reviews.—Retail Property Investments Ltd., 47, Peter St., Manchester, M2 6AU. Tel. 061-834 2510.

FURNISHED OFFICES, with full secretarial facilities. Birmingham and Sheffield. Adminaid 021-643 4045.

PRINTERS, S. LONDON/CROYDON areas have spare capacity for all types of printing with facilities up to 4-colour process. Really intelligent, careful and service-minded. Work manuals, handbooks, reports, data sheets and all brochures a speciality. Please ring 01-681 7745.

IS YOURS a dormant Limited Co. with cash assets? 1934 Established Group has large cash sums to buy 100% share holdings. Prompt decision. Strrat Group, 3-4, Mulgrave Court, Mulgrave Road, Sutton, Surrey.

VINTAGE PORT. 1955 Dows, 1960 Dows, 1963 Fonseca. Various cases. Private sale. Contact B. Owen. 01-449 6294.

AMERICAN distributors seek competitive engineering or consumer products. Prefer high content skilled labour. Product information from principals only.—Write Box E.8225, Financial Times, 10, Cannon Street, EC4P 4BY.

PRIVATE MAILBOXES. London £15 p.a. Post Restante or daily forwarding. 01-405 0463. British Monomarks, BM/A, London WC1V 6XX.

PARLIAMENT

Town Hall overspending 'a widespread tendency'

Shore resists Tory call to specify cuts

BY JOHN HUNT

OVERSPENDING of budgets by local authorities had not been confined to Labour-controlled areas but is "a very widespread tendency" in councils throughout the country, Mr. Peter Shore, Environment Secretary, told the Commons yesterday.

He rejected Tory demands that he should now state what specific services the Government would require local authorities to cut if their budgets for the present year exceeded the limits laid down by the Government.

But no further action could be contemplated until after he had received the reply to his circular asking local authorities to state what measures they would be taking to keep within the cash limits.

From the Labour benches, disquiet was expressed over the possibility of heavy cuts which councils may have to make as a result of Government intervention.

Mr. Arthur Jones (C Daventry) asked why Mr. Shore had met only Labour-controlled local authorities on June 13 to warn of the possible overspending of local budgets by £400m. during the present financial year. He asked him to declare what sanctions he proposed to take against councils such as Haringey who had said they would defy Government spending policy.

Mr. Shore told him that the Government was concerned about potential overspending by local authorities whatever party was involved. While he agreed that a problem was presented by the possible defiance of the Government's wishes, he was prepared to wait and see what happened as a result of the further exercise now being carried out.

He expected to meet local authority associations again on July 3 and anticipated that the financial reports which he had requested from local authorities would be returned to him by July 16.

Mr. Robert Cant (Lab., Stoke Central) wanted to know how he intended to get over the difficult problem of the rate support grant whereby thrifty authorities were going to be discriminated against.

The Secretary of State assured him that it was his intention to deal firmly and justly between the various authorities. He conceded, however, that the relationship between central and local government meant that there might be "rather rough justice."

MR. PETER SHORE.
Awaiting replies to circular.

There were Tory cries of "Haringey" as he said that he was not aware of any disposition for local authorities to defy the Government's ruling. He realised that some councils were in greater difficulties than others.

A warning came from Mr. Ron Thomas (Lab., Bristol NW) that many Labour backbenchers were very concerned about the cuts in local authority expenditure. They believed it would hit those least able to look after themselves.

Many members of local authorities were not clear about the kind of statistical indicator the Government was using in deciding whether there had been an increase in spending in real terms. He thought it was wrong to suggest to working people that the party was over when the doors had not even been opened for the party to begin.

Mr. Shore disowned the well-publicised remarks of Mr. Roy Jenkins, Home Secretary, about the danger to democracy if Government spending exceeded 60 per cent. of national wealth.

"I don't subscribe to the doctrine of a particular percentage of public spending posing a threat to democracy. I don't think so at all," he said.

"It is a view that my Rt. honourable friend is perfectly entitled to express. I am entitled to express my own view and it is a different one."

Mr. Shore told him that on taking up his new office recently he had been struck by the paucity of information from local government to central government. In his circular to local authorities, he had carefully stressed the point that there was an element of uncertainty.

He certainly understood the concern felt by local authorities and his circular had not actually asked him to make cuts. The Government was requiring that they should live up to the expenditure figures agreed as right and proper in December, 1975.

Reform of council allowances study hint

By John Hunt

MR. GUY BARNETT, Under-Secretary for the Environment, gave a strong indication in the Commons yesterday that the Government is considering setting up an independent inquiry into the attendance allowance paid to local councillors.

He faced considerable criticism from MPs over the workings of the system under which members of local autorities are allowed up to £10 a day for expenses to compensate them for loss of earnings while they attend council and committee meetings.

The Under-Secretary said that he would not be making public the Departmental review which has already been conducted on the matter. But the results of this could be fed into any independent inquiry.

Mr. John Cartwright (Lab., Woolwich E) complained that the system of allowances had caused bitter resentment, and he suggested an independent inquiry.

Mr. Barnett agreed the system had thrown up a great many injustices and anomalies. For this reason, he thought that Mr. Cartwright's suggestion of an independent inquiry would need looking at as a possibility.

The Minister pointed out that a great many committee chairmen and leaders of councils were doing a full time job for local authorities for very little reward while, for others, the allowance was more than they actually needed.

Mr. Barnett was also urged to correct the anomaly whereby councillors and mayors who were out of work found that their attendance allowance was being regarded as income for the purposes of unemployment and social security benefit.

He told MPs that these were very delicate matters and that was the reason why he welcomed the suggestion of an independent inquiry.

New step towards Commons broadcasts

By Philip Rawstorne

[THE] CONSTRUCTION of radio [com]mentary boxes in the cham[bers] of the Commons and the [Lor]ds, at an estimated total cost [of] £68,000, was recommended [yest]erday by a joint committee [of M]Ps and peers.

[T]he committee, which has been [con]sidering arrangements for the [per]manent broadcasting of Par[liam]ent, due to begin in Novem[ber,] said that the Lords box [shou]ld be sited in the centre of [the] existing Press Gallery to [main]tain the symmetary of the [cham]ber. It would cost £30,000.

[T]hree schemes were con[side]red for the Commons, but [the] committee recommended [that] the box should be located [in] the south-west corner of the [cham]ber.

[Alt]hough the most expensive [sche]me, costing about £38,000, it [woul]d result in the reduction of [the] space for MPs and others.

[J]oint Committee on Sound [Bro]adcasting, First Report, SO.

Water plans discussed

[CO]NTINGENCY plans are being [wor]ked out by the Government [and] water authorities in case the [wat]er shortage worsens, Mr. [Den]is Howell, Minister of State, [Env]ironment, said yesterday.

[I]n a Commons written reply [to] Mr. Toby Jessel (C., Twicken[ham]), he said water authorities [st]ill hoped to avoid major inter[rupt]ions of supplies during the [sum]mer. But in East Anglia, the [Eas]t Midlands, the South and [Wes]t and Wales "there remains [a se]rious risk of a more difficult [situ]ation later in the year."

[M]r. Howell added: "We are in [clos]e touch with the water [aut]horities and are working out [wit]h them the contingency [mea]sures that would be needed [if t]he situation worsens."

Solve jobless problem my way, says Tory

[A TORY] GAVE a formal first read[ing] in the Commons yesterday to [a] Bill which its sponsor said [wou]ld "abolish" unemployment.

Mr. Anthony Steen (C., Waver[tree]), sponsoring his private [mea]sure, said the Bill would [all]ow payment of unemployment [bene]fit to workless people [enga]ged in work of social or [com]munity benefit.

[H]e argued that the Govern[ment] should be free to refuse to [pay] unemployment benefit to [out-]of-work people who were un[will]ing to do social or community [wo]rk.

[T]here were jeers from some [Lab]our MPs when Mr. Steen [sai]d: "My Bill would make un[em]ployment a thing of the past."

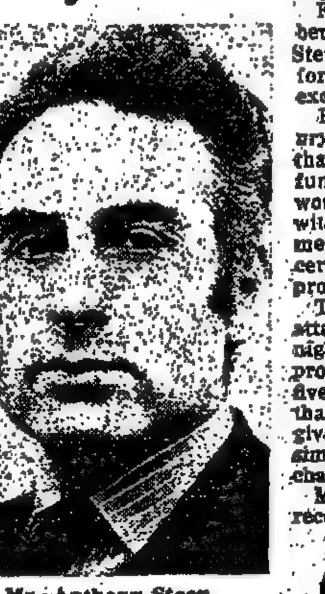
[U]nder his scheme, unemployed [peo]ple would be invited to make [thei]r own proposals for relieving [the] worst problems in their [are]as.

[A]t present, the Welfare State [cou]ld not cope with the number [of] people needing help. There [wer]e eight million elderly [peo]ple, many living in miserable [hom]es which needed redecorat[ing] or who were crying out for [com]panionship. Hospital and [chil]dren's homes were desper[atel]y searching for more helpers.

[M]r. Steen said unemployed [peo]ple could help to build adven[ture] playgrounds, help with [mea]ls-on-wheels services, make [fur]niture for low-income groups, [re]cycle litter, or redecorate [pub]lic buildings. The range of [job]s was limitless.

[P]eople would be paid at the [sam]e rate as ordinary unemploy[me]nt benefit which would be a [spu]r to seek more remunerative [wor]k elsewhere.

Mr. Steen claimed that inflated [Go]v. rates of pay under the job creation programme was one reason why only 17,000 jobs had been provided at a cost of £55m.



Mr. Anthony Steen

If people decided to do nothing, then the Government should feel no obligation to pay them if they refused a part in the national recovery programme.

In a recent survey of 2,000 unemployed young people on Merseyside, 75 per cent. said they were bored stiff and would welcome this kind of project.

Mr. Steen said the latest disastrous unemployment figures showed that something radically new and progressive was needed. If the Government refused to consider his scheme, they would be turning their back on over 1m. unemployed.

Societies refusing loans in some city areas—MP

[BU]ILDING SOCIETIES are refus[ing] mortgages on all houses in [cer]tain older inner city areas, [Mr]. Frank Allaun (Lab. Salford [E.]) claimed in the Commons yes[ter]day.

He told Mr. Peter Shore, En[viro]nment Secretary, that there [wa]s a new and growing practice [by] many building societies of [th]e "red lining" or "blue [lin]ing" of old inner city areas [wh]ere mortgages were refused on [a]ll houses even if they were not [goi]ng to be demolished.

Mr. Allaun urged that as local [au]thorities did provide mort[ga]ges for such houses, building [so]cieties should be required to [pro]vide 10 per cent. of their ad[va]nces to local authorities for [th]is purpose.

Mr. Shore said he would be interested to hear about any evidence of "red lining." There had been an encouraging trend this year in that 26 per cent. of all mortgages agreed by building societies had been for people whose incomes were below that of he average manual worker.

Mr. Eddie Loyden (Lab Garston) said there was evidence that discrimination was being exercised against certain areas and the Government should take some control over building societies.

Mr. Shore agreed it was important to get building society money into inner city areas. But the facts should be ascertained before conclusions were reached.

The train now standing . . .

[T]ORY PEER Lord Ferrier was [as]hamed when he escorted two [A]merican visitors to Britain on [a] journey by train from Scotland [do]wn to Westminster. At New[ca]stle, Durham, Darlington and [Y]ork, the station announcer's [ut]terances were almost incom[pr]ehensible to them.

"The visitors could not [un]derstand a word," claimed Lord Ferrier. In the Lords yesterday, he took his complaint to the Government with a question to Baroness Stedman, Environment spokesman.

But Lady Stedman, although sympathetic, pointed out to Lord Ferrier that the issue was really one for the managements of BR and the BAA.

Relief for pension funds rejected by 16 majority

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

TORY APPEALS for special relief of pension funds from liability under the Development Land Tax Bill were turned down in the Commons last night by a Government majority of 16 (283-267).

From the Opposition front bench, it was argued by Mr. Ian Stewart that the Bill in its present form would breach traditional exemptions.

But Mr. Denzil Davies, Treasury Minister of State, maintained that the concessions for pension funds proposed by the Tories would create a two-tier market with discriminatory tax treatment favouring the funds concerned to the disadvantage of property companies.

The Tories, maintaining their attack for the second consecutive night on the Bill—estimated to provide a tax yield after about five years of up to £300m.—urged that pension funds should be given a status and treatment similar to that accorded to charities.

Mr. Stewart said that the most recent figures suggested that investment by the funds in land totalled about £4bn. Many large companies considered that pension funds, through their investments, were important to the infra-structure of industry.

It was important that there should be no reduction in the funds available for investment in industry. But because of the terms of the Bill, said Mr. Stewart, there were now serious worries about the effect of the tax on pension funds.

He feared that the Government intended to make as few exceptions and exemptions as possible in case they impeded the progress of the Bill—now in its report stage—and the progress of the community land scheme.

"By failing to respect the claims of the pension funds, the Government is again showing it is more influenced by doctrine than reason. To bring funds within the scope of the tax is not only socially retrograde, but will be harmful to the millions of beneficiaries of the funds," declared Mr. Stewart.

Mr. Davies rejected the Tory contention that the funds should share a status similar to that of charities. There was a difference between them, said the Minister.

Charities, in particular the churches, had been given a special status under the Bill where their land was for operational rather than investment purposes.

The Minister denied the argument that the Government, by its proposals would be imposing an enormous burden on many people.

So far as pension funds were involved, only the betterment profit they made would be taxed. This would happen where a fund bought land hoping that planning permission would be given, and where in fact the value of the land had increased considerably when the fund came to sell it.

Mr. Davies said that most cases caught by this legislation would be investment in green field sites. There was a good case for taxing this kind of windfall profit so that the gains went primarily to the community.

Car industry views important in settling tax scales—Sheldon

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT yesterday assured anxious MPs of both main parties of the firm intention of Ministers to avoid damaging the motor industry in drawing up the scales of tax for company cars.

Mr. Robert Sheldon, Financial Secretary, stressed that, in the promised revision of the scales, the "views of the industry are going to be most important."

The consultations, with all sides of industry were not yet completed, he told critical Opposition MPs before the Commons Standing Committee on the Finance Bill concluded an all night sitting early yesterday.

Underlining the need for adequate time to ensure that "very real problems" are ironed out, Mr. Sheldon gave little encouragement to hopes that the re-formulated proposals for cars will be produced before the end of the Bill's committee stage—which Ministers would like to see next week.

Tory MPs continued their attack on the whole range of controversial proposals to increase the taxation on fringe benefits for directors and higher paid employees, stressing the anomalies that would be created.

The Financial Secretary was pressed particularly to clarify the position for such fringe benefits as miner's coal under the new taxation. Miners, it was suggested, could become higher income earners after the end of the pay policy.

But the Minister stuck firmly to the Government's intention that the coal benefit should retain its status as an extra statutory concession.

Tory MPs wanted to know what other exceptions would escape the new tax rules. Employees in the car trade could get maintenance and repair work done on their cars on a concessionary basis. What would be done about that?

Brewery workers and employees in biscuit and confectionery factories were allowed to have some of the product on a concessionary basis.

The Tories did not want all these people taxed. But they called for a complete review of the situation.

Mr. Peter Rees (C., Dover and Deal), summing up the Tory criticisms, contended that the Government's tax proposals in this field looked more like a "dog's breakfast."

Mr. Sheldon promised that he would clear up doubts about which benefits were taxable, and which were not under the intended new rules by making available a list of the extra statutory exemptions.

Consideration of the Bill will be resumed this afternoon.

Elderly must not suffer if fuel bills are unpaid, Lords told

THE GOVERNMENT should put out a safety net to help people who could not afford to pay their fuel bills, Lord Lovell-Davis (Lab.) told the Lords yesterday.

Lord Lovell-Davis, a former Energy Under-Secretary, said: "Steps should be taken to ensure that no elderly person, one-parent family or the sick should be allowed to suffer hardship or fear of further action if they cannot pay their fuel bills."

In what he described as his maiden speech from the back benches, he said he was concerned about the real problems facing many elderly people in a world which was becoming increasingly complex and bewildering.

He said he was particularly concerned about elderly people's right to fuel and their right to keep warm in winter.

A report in February on the needs of the elderly, which he had produced while at the Energy Department, had recommended that the right to disconnect supply should be withdrawn from the fuel Boards.

He said the fuel industry Boards were unfairly made the villains of the piece. There should be alternative methods of paying bills rather than through court proceedings, which were often a bonanza for the legal profession.

People got into the impossible situation where they had to pay their outstanding bill plus a reconnection charge, and a deposit on the next bill, so that a bill for £50 was turned into one for £100.

Government departments and the fuel industry should get together to ensure that neither the elderly nor any other person at risk should be deprived of fuel, nor made to suffer because of their dependence on it.

New peer

LORD GRADE, formerly Sir Lew Grade, chairman of ATV, was introduced into the Lords yesterday. He received his peerage in Mr. Wilson's resignation honours.

Taxpayers could be saved £1.4m. says Honeywell

BY A. H. HERMANN

HOUSEHOLDS in the Anglian Water Authority area could lose a possible saving of £1.4m in water rates if the authority were allowed to go ahead with its plans to buy a computer from International Computers instead of Honeywell. Mr. Michael Howard said in the High Court yesterday when successfully pleading for extension of an injunction prohibiting the authority from placing the computer contract with ICL.

Granting the application. Lord Denning. Master of the Rolls, sitting with Lord Justice Orr said that Honeywell's appeal against discharge of the injunction would be heard on Monday and the injunction would continue until then.

Mr. Justice Cusack, who a week earlier had granted the injunction, discharged it last Friday but gave Honeywell until yesterday to appeal against that decision, which had been reached, he said, "on the balance of convenience."

He expressed the view that Honeywell had little chance of succeeding in the main action against the authority.

Lord Denning told Mr. William Glover, QC, who appeared for the authority: "You have a very strong case. I can see that."

The £1.4m. which Honeywell's counsel said would be lost to the ratepayers if the contract went to ICL is the figure estimated by the authority's technical team as the annual saving which would be achieved by installation of any computer capable of processing a wide range of hydrological data.

'Year ahead'

Honeywell had offered the authority an already-developed system which could be delivered a year before any delivery by ICL, which still had to develop the software (programs, etc.) for the type of hydrological data processing required.

Referring to the "buy British" argument. which, Mr. Howard suggested, was behind the authority's decision to overrule its technical team and finance committee, and place the order with ICL. Mr. Howard said that Honeywell, though an American company, had substantial manufacturing operations in the U.K. The computer offered to the authority was mainly of Scottish manufacture.

Mr. Glover opposed continuance of the injunction on the grounds that the authority wished to be free to make its "arrangements" even though it had no intention of placing a contract with ICL immediately—that is before hearing of the appeal.

Minister cuts intake of student teachers

By Michael Dixon,

MR. FRED MULLEY, Secretary for Education and Science, yesterday flouted an official advisory committee including teachers' union leaders, and announced a 30 per cent. cut in the intake of people into teacher-training in the autumn of next year.

A fortnight ago the Advisory Committee on the Supply and Training of Teachers—made up of representatives of various professional interest groups—refused to endorse proposals by the Department of Education and Science to cut the "target" intake from 20,000 non-graduates and 11,400 graduates this year to only 12,000 and 11.00 in 1977.

The committee said that next year's target should be 15,000 non-graduates and 11,000 with degrees.

Mr. Mulley's response—disclosed in a Commons written reply—has been to keep the non-graduate target at 12,000, and to cut the graduate figure even more than the Department had originally proposed, to 10,000.

The Minister added that he thought the 30 per cent. cut wise "in view of the prospective over-supply of teachers."

Present estimates are that about 20,000 newly trained staff may be left without teaching jobs this September, and unions such as the National Union of Teachers—a leading light on Mr. Mulley's advisory committee—have been pressing the Government to finance the provision of more teaching posts.

If next year's reductions, which relate to England and Wales, were extended into succeeding years, they would imply an increase in the number of teacher-training institutions to be closed as a result of the Government's plans to cut the training programme to reflect the declining birth-rate.

TENNIS: WIMBLEDON — BY JOHN BARRETT

Cox mastered by his pupil

MARK COX, the last of Britain's big hopes at Wimbledon, crashed out in straight sets yesterday on another afternoon of searing heat which kept the first-aid rooms as crowded as the Centre Court.

Cox, ranked joint No. 1 in Britain with Buster Mottram, was beaten 6—3, 6—4, 6—4 in the second round in 79 minutes by Vitas Gerulaitis, the 21-year-old New Yorker. Both men play for Pittsburgh Triangles, last year's World Team Tennis champions.

This year Cox is acting as player-coach, so his feelings may have been mixed about the clear-cut defeat he suffered against a highly-promising player who has developed under his tutelage.

Gerulaitis, who won the Wimbledon men's doubles title last year with Alex Mayer, made full use of his 11 years advantage in age. He was much faster around the court and sharper on the volley. Cox stayed in contention with flurries of fiery serving and some accurate lobbing, but, apart from a brief rally late in the third set, he was always trailing.

It was a wooden, unemotional occasion, rather as if both men (almost milk white after spending all winter and spring on the indoor circuit) were indulging in a practice session for the Triangles.

A service break in the sixth game gained Gerulaitis the first set, though Cox saved four set-points before going down. The American led 5—2 in the second set, and though Cox broke back with three fine returns of service Gerulaitis served out safely enough in the tenth game. Cox led briefly in the third at 4—3, only to lose the next three games, including his own service to love.

This is the first time Gerulaitis has progressed beyond the first round at Wimbledon, despite the fact that he is now ranked fourth in the U.S. Afterwards he credited Cox's coaching at Pittsburgh with helping him to improve his ground strokes and return of serve.

Jimmy Connors, the No. 2 seed, became the first to reach the last 16 of the men's singles by beating the Egyptian Ismail el Shafei 6—4, 6—0, 6—3 on the Centre Court. Connors was in irresistible form again, his scorching volleys and returns of service matching the weather.

After the first nine games had gone with service Connors exploded into top form. He captured El Shafei's serve to love to take the first set, embarking on a run of 11 successive games which took him through the second set for the loss of only seven points, and left him 3—0 ahead in the third. El Shafei made many errors under this relentless pressure and looked thoroughly unhappy, but few players would have been able to resist Connors in this form.

He said afterwards "I feel confident of my chances but luck ploys a big part in a two-week tournament like this. There is so much time between matches: you can either get gee-ed up or fall down some stairs. But unlike Ashe and Nastase I have never been nervous playing here. It is always a thrill for me me to play Wimbledon."

Hans Pohman, who reached the second round dramatically on Tuesday night when Buster Mottram retired ill, did not benefit from his good fortune, falling to the fourth-ranked Brazilian Carlos Kirmayr in straight sets 8—6 6—3 6—3, and Tom Okker, the Dutchman who is seeded ninth here, was equally abrupt with the 6ft. 6in. left-hander Victor Amaya (US), dismissing him 9—7 6—2 6—3.

Mark Farrell ranked No. 11 in Britain was involved in a tough match on the packed outside courts (the Wimbledon gates were closed in mid-afternoon). He was let down by his first serve in a close contest against Mark Edmonson, the 21-year-old Australian champion, who took the first set 9—8, winning the tie-break by seven points to three, outlasted Farrell 9—7 in the second, and won the match 6—4 in the third.

The fourth woman seed Martina Navratilova took only 40 minutes to beat the little Belgian Michele Gurdal for the loss of only three games but Britain's Sue Barker, the seventh seed, was kept on court for 75 minutes by Ceci Martinez, a 27-year old who is ranked No. 36 among American women, before winning 6—4, 7—5. Miss Martinez, from San Francisco, beat Virginia Wade, in the 1970 Wimbledon to reach the quarter finals.

As usual, Miss Barker started nervously and continually remonstrated with photographers who were disturbing her concentration in the first set, which she eventually won by virtue of hitting marginally more forehand winners than losers.

Britain's Sue Barker, the No. 7 seed, on her way to a 6—4, 7—5, win over Cici Martinez (U.S.)

Advertising and...

COMMISSION SYSTEM

The arguments start

THIS WAS the week when trade bodies, including those that run the advertising industry, had to register their restrictive practices with the Office of Fair Trading. So it is just possibly the week which sees the beginning of the end of the fixed commission system which, in theory, finances advertising agencies.

But it will be a very long road. For a start two of the main advertising institutions, the Newspaper Publishers Association and the Newspaper Society, have been given a three month extension to better prepare their case. Then there is no certainty that, among the thousands of restrictive practices received, the OFT will set its sights against those prevailing in the advertising industry.

If it does there starts a period of consultation to see if suitable amendments can be mutually agreed, and only then, in extremis, could the matter go before the Restrictive Practices Court which could, of course, rule against the OFT. So, all in all, advertising agencies need not worry yet, about an al[ter]native system of payment.

There are two other fac[ts] which account for the low le[vel] of interest in what is a pote[nti]ally explosive subject. The f[irst] is that agencies are moving m[ore] and more over to a fee, o[r] commission plus-fee, method [of] payment, so that the 15 per c[ent] commission now accounts [for] less than 70 per cent. of th[eir] revenue as against nearer 85 [per] cent. a decade ago.

Secondly an examination [of] current practices reveals t[hat] the NPA, for example, does [not] actually fix any level of c[om]mission, so it is doub[tful] whether it has to be registe[red] at all as a restrictive pract[ice]. The dozen or so independ[ent] media companies that have [set] up recently, which last w[eek] claimed to handle £40m. [of] advertising expenditure in t[otal] may expect the OFT to [jus]t[ify] their more competitive appr[oach] to buying media, but there [is a] long way to go before [the] present structure is disturb[ed].

A.[...]

Ashridge vice versa

BY ANTONY THORNCROFT

IF Express Dairies is worried about the sales of Ski, brand leader in the £38m. yoghurt market, there are at least 20 experienced marketing men, plus one lady, who can give it some very professional advice. They have just spent nearly three days examining Ski, and its advertising, and came up with new creative approaches to safeguard the product from the growing challenge of Unigate's Prize yoghurt.

Yet the intriguing thing is that Express Dairies was quite uninvolved in this concentration, and all the marketing executives came from rival companies, such as General Foods, Findus, Lever Bros., Kraft, Smiths Food, Associated Biscuits, as well as non-grocery operations like Esso, British Airways, IDV, and Littlewoods.

The occasion was a role reversal exercise run by agency Boase Massimi Pollitt at Ashridge Management College. The idea was sparked off last year when BMP client Cadbury-Schweppes asked the agency to hold a course for some of its executives to give them a better idea of what an advertising agency actually does.

The occasion was a great success and BMP decided to use the experience gained by holding a similar course for other marketing people. Ashridge joined in, Cadbury Schweppes gave its blessing, and a mail shot to a hundred and fifty leading marketing executives produced over double the original target of participants—obviously the £90 charged was seen as a bargain.

Since BMP produce the advertising for Prize, which is making good strides in the yoghourt market, a compe[ting] brand, Ski, was regarded as [fair] game for an exhaustive exam[ina]tion. Ski is still brand lea[der] helped by the withdrawal [of] Vandenbergh's Dessert Farm. Prize is gaining ground. [The] participants had to work [out a] new marketing approach for [Ski] and create some fresh adve[rtis]ing.

It is, of course, all reminis[cent] of the Creative Circle's an[nual] role-reversal week-end at C[am]bridge, where clients bec[ome] agencies and vice versa, but the BMP approach a marke[ting] as well as an advertising strat[egy] has to be developed.

From an outsider's poin[t of] view the most interesting [thing] was that while the twenty marketing people, all of aro[und] brand manager level, [could] quickly see what was wrong [with] Ski and its advertising, inte[rnal] company politics, the he[avy] weight of tradition, the in[ter]ference of American parents, [and] much else, prevented them [from] bringing the same amount [of] objectivity to their own mar[ket]ing and advertising approac[h].

Still it was a worthwhile [ex]perience which will be repe[ated]. If Express Dairies is intere[sted] it was reckoned that its fir[st] approach to selling yoghourt [was] regarded as unbelievable, a[nd] later developments in [its] advertising had failed to pro[vide] a reasonable alternative.

The combined selling w[isdom] came up with three compet[ing] campaigns, and BMP judge[d] the winner, one stressing [the] products goodness, based o[n a] Snoopy character encourage[d to] consume Ski rather than suck his thumb.

Jersey fabric trade calls for aid scheme

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE BRITISH Jersey fabric industry, which produces knitted fabric largely for women's wear, has asked the Government to provide funds for restructuring under an Industry Act aid scheme.

The British Jersey Fabric Board, based in Nottingham, would like the assistance directed at helping the industry eliminate outdated and inefficient capacity, replacing some of it with more modern machinery.

The industry has been contracting as a result of the installation of surplus capacity around the world in the early 1970s when optimistic growth rates were envisaged for jersey fabrics.

Output by U.K. producers peaked at 95m. kilos in 1973, but as other producers around the world entered the market and world demand for all kinds of textiles fell, it fell to only 76m. kilos last year.

Mr. W. B. A. Attenborough, chairman of the Board, told its annual meeting in Nottingham that an Industry Act aid scheme would make possible an orderly contraction of the industry.

The installation of more modern equipment would put the U.K. industry in a better position to take advantage of an upturn in demand and would stimulate new products and end-uses in jersey.

Without such a scheme, the vitality and overall profitability of the sector could decline further and the industry would lose companies with the inherent skill and know-how to take advantage of opportunities.

OBITUARY

Mr. Cyril Wilkinson

TELEFUSION FOUNDER and chairman, Mr. J. C. (Cyril) Wilkinson, died yesterday, aged 69. He was a former chairman of the Relay Services Association of Great Britain (now Cable Television Association) and the National Television Rental Association.

Mr. Wilkinson owned 14m. shares in Telefusion, which he founded in 1943 to operate radio cable relay services. Telefusion said that no shares would come onto the market. "His shares are held in non-resident trusts almost entirely."

COMPANY NOTICES

REX CHAINBELT OVERSEAS N.V.
(Incorporated in the Netherlands Antilles with Limited Liability)
DM 30,000,000 6 per cent. Guaranteed Notes 1977

NOTICE OF EARLY REDEMPTION

NOTICE IS HEREBY GIVEN that the Company will redeem the whole of the Notes at a price of 101 per cent. of their principal amount on 12th July, 1976 in accordance with paragraph 3(b) of the Terms and Conditions of the Notes.

Accordingly there shall become due and payable (in accordance with paragraph 5 of such Terms and Conditions) on 12th July, 1976 at the offices of:—

S. G. Warburg & Co. Ltd
Coupon Department
St. Albans House
Goldsmith Street
London EC2P 2DL
or
Banque de Gestion Financière
Gartenstrasse 26
8039 Zurich
Switzerland

the principal amount of each Note, plus premium of 1 per cent., together with interest calculated at 6 per cent. per annum (for the period of 3rd April, 1976 to 12th July, 1976 inclusive) amounting to DM 841.67.

Interest will cease to accrue on the Notes after 12th July, 1976. Notes so presented for payment must have attached coupons No. 8, 9 and 10, failing which the amount of the missing coupons will be deducted from the sum due for payment.

REX CHAINBELT OVERSEAS N.V.

PROVINCE OF NOVA SCOTIA
7.50% 1972/1987
Loan of FF 100,000,000

The redemption on the date of 15th July, 1976, for which a sum of FF 3,000,000 is planned, has been completely repurchased on the Stock Exchange.

Amount remaining in circulation after 15th July, 1976: FF 91,000,000.

Paying Agent
BANQUE DE PARIS ET DES PAYS-BAS
POUR LE GRAND-DUCHE DE LUXEMBOURG

BRITISH-AMERICAN TOBACCO COMPANY LIMITED
NOTICE TO HOLDERS OF STOCK WARRANTS TO BEARER

The Scheme of Arrangement under Section 206 of the Companies Act 1948 involving the merger of British-American Tobacco Company Limited with Tobacco Securities Trust Company Limited to form B.A.T. Industries Limited has now been approved by the Stockholders of both Companies and is the subject of a petition to the High Court of Justice for the sanctioning of the Scheme.

Under the terms of the above Scheme of Arrangement the Ordinary Stock of British-American Tobacco Company Limited will be cancelled and Stockholders will become entitled to 12 Ordinary Shares of 25p each and 1 Deferred Ordinary Share of 25p fully paid of B.A.T. Industries Limited for every £2.50 Ordinary Stock of British-American Tobacco Company Limited and so in proportion for holdings of any other amount except that any resulting fractions will be sold and the net proceeds distributed to the persons entitled thereto. Shares of B.A.T. Industries Limited will be issued in registered and not in bearer form.

Holders of Stock Warrants are advised that, should the Scheme become effective, it will not be possible to issue their entitlements to B.A.T. Industries Limited shares until such time as their Warrants have been surrendered to Morgan Guaranty Trust Company of New York 33 Lombard Street, London, EC3P 3BH and that, in the case of Warrants which have not been surrendered within two years these entitlements are liable to be replaced by a cash payment in accordance with clause 8 of the Scheme.

Holders of Bearer Stock who also hold Registered Stock of British-American Tobacco Company Limited are advised that their entitlements may be affected by their failing to reconvert their Bearer Stock in time for the combined holding to appear on the Register on the effective date of the Scheme.

In accordance with the terms of the Scheme the Directors have declared on the issued Ordinary Stock a second Interim Dividend for the year to 30th September 1976 of 3.7p per 25p unit of Ordinary Stock payable 1st October 1976 to holders of record on the Register on the day immediately preceding the effective date of the Scheme.

Bearer Warrants lodged with Morgan Guaranty Trust Company of New York for reconversion up to 16th July 1976 will be in time for holders to appear on the Register of Members on the date of record for the Dividend and at the date of the closing of the Register of Members on the effective date of the Scheme.

Holders who have not surrendered their Warrants by 16th July 1976 will be able to collect the dividend payable on 1st October 1976 by the deposit of Coupon No. 277 with Morgan Guaranty Trust Company of New York 33 Lombard Street, London, EC3P 3BH for examination two clear days (excluding Saturdays) before payment is made. Coupons will be accepted for deposit on or after 1st August 1976.

BY ORDER OF THE BOARD.
P. J. RICKETTS,
Secretary

Westminster House
7 Millbank,
LONDON SW1P 3JE.
21st June, 1976

BEARER DEPOSITARY RECEIPTS ISSUED BY MORGAN GUARANTY TRUST COMPANY OF NEW YORK
representing shares of
ASAHI CHEMICAL INDUSTRY CO. LTD.

The General Meeting of shareholders of Asahi Chemical Industry Co. Ltd. will be held on June 28, 1976 at 10 o'clock (local time) at the Company's head office in Osaka.

AGENDA

1. Presentation and approval of the business report, balance sheet, the profit and loss statement and appropriation of retained earnings for the fiscal term from April 1 1975 to March 31, 1976.
2. Approval of a new share issue as of stock dividend to be allotted in the ratio of one new share of PV 50 yens for 10 old shares held and which are entitled to accrued interest as from April 1, 1976.
3. Election and appointment of 13 directors.

Stockholders who want to exercise their voting rights must deposit their certificates, not later than June 24, 1976 at Morgan Guaranty Trust Company of New York, 35 avenue des Arts, Brussels together with instructions indicating the way the shares be voted or allowing Morgan Guaranty Trust Company of New York to give a discretionary proxy to a person designated by the Company.

ITO-YOKADO CO., LTD.
CDRs

The Board of directors of Ito-Yokado Co., Ltd. has announced that shareholders, who will be registered in the books of the company on August 31, 1976 will be entitled to receive a 10% free distribution of new shares.

Consequently the undersigned designated DIV. CPN. NO. 3 of the CDRs for this purpose.

In Japan the shares are traded ex-bonus as from August 26, 1976.

Amsterdam Depositary Company N.V.
Amsterdam.
June 21 1976.

هكذا من الأصل

The Marketing Scene

B & B adds on £2m.

BENTON and Bowles' good run in attracting new business continued this week with the gain of the Oil of Ulay skin care account. The brand spends around £730,000 a year in advertising, and no change is expected in the size of the budget.

The advertising had been handled for the past three years by Mackays, but the move is no great surprise since Oil of Ulay is a Richardson-Merrell product and B & B has built into brand leadership other lines from the same manufacturer, such as the Vicks range and the Clearasil products aimed at teenagers.

Last week Benton and Bowles picked up £730,000-worth of advertising from Quaker — the Chunky dog food and the Felix cat food, which had been with CDP. Together with new advertising assignments from Ronco, B and B has added around £2m.-worth of billings in a week.

● W. S. CRAWFORD will be handling the U.K. launch of products from Pierre Fabre Laboratories, one of France's leading pharmaceutical and toiletry companies. Billing will be £250,000.

● ROLLEI (U.K.) has switched its advertising from Chetwyods to Lonsdale Osborne. The business could be in excess of £200,000 since the German camera company is launching ten new products this autumn.

● RADIO continues to thrive, attracting £1,153,956 in advertising to the local stations in May for a five-month total of £5,059,484. Meanwhile MEAL announces that total display advertising in May, at rate card costs, was £60.4m., a 34 per cent. gain on May, 1975.

● DOUGLAS Richardson has been appointed a director of J. Walter Thompson and head of the account planning department.

● THE IPA has published two updated booklets, one on advertising in West Germany and one on Sweden. There is also a new list of the IPA's member agencies and the people who run them.

Outdoor advertising experiences another crisis

Posters boom despite turmoil

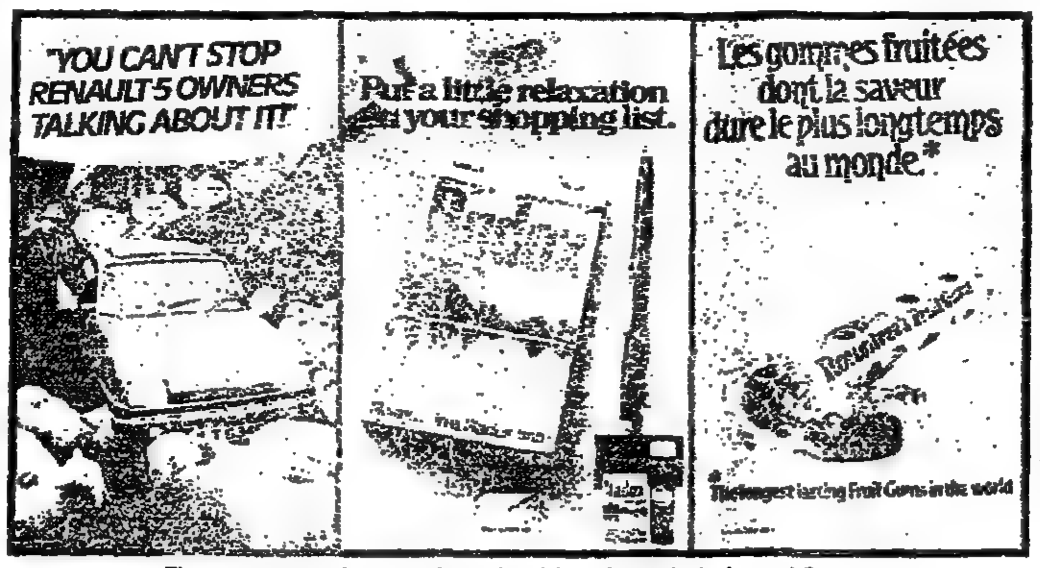
BY ANTONY THORNCROFT, MARKETING EDITOR

THE outdoor poster business always seems to attract more controversy than the rest of the advertising media put together. After the explosion of Mr. John Bentley on the industry, and the row over the inspection (or lack of it) of sites, comes the sudden collapse of the Advertising Agencies Poster Bureau, which was set up with the support of most of the agencies to handle their outdoor bookings, and to ensure that advertisers' potsers were actually on view and nicely maintained.

The Poster Bureau has gone into voluntary liquidation partly because many of the agencies that were its shareholders still preferred to book the big, profitable campaigns direct with the poster contractors, leaving the Bureau with the messy jobs; and partly because it was bureaucratic and split between the agency men that decided policy part-time and the full-time experts who were forced to carry it out.

And so the simple pattern which emerged in posters with two umbrella organisations, British Posters and Independent Poster Sales selling most of the sites as planned packages, while the Poster Bureau handled the buying, and a few maverick specialist outdoor agencies pointed out the aberrations in the system, has floundered, and we are returning to a much more disorganised, but not necessarily less efficient structure.

The selling side remains dominated by British Posters, which claims to handle most of the sites not fully committed to long term advertisers like the drink and tobacco companies. But now the buying will be divided between such emerging specialists as Poster Media, Poster Publicity, Poster link, Poster Business, etc., who will work on commission for both agencies and advertisers and look after mainly the long-term business between agencies booking direct with the contractors, who are on the point of offering even simpler systems for supplementary sites in packages; and by new bodies, such as the proposed company to be set up by J. Walter Thompson and Collett Dickenson Pearce, which includes two of the biggest outdoor advertisers, Guinness and Gallahers, among its clients, and with long-term billings in excess of £4m. will be, in fact, the largest specialist agency.



Three recent recruits to outdoor advertising—Reanault, Radox and Rowntree.

There is a natural worry on the part of the site owners that the uncertainty until a new buying pattern emerges will persuade advertisers to keep away from outdoor. This is unlikely. British Posters, in particular, has been very successful in attracting new advertisers to the medium, such as packaged goods companies like Walls, Heinz, Cadbury-Typhoo and Rowntrees, who use it to back up TV campaigns, and with the rapidly rising cost of television, and the press, outdoor now seems a better bargain than ever. John Baad of British Posters says turnover this year is 44 per cent. above the 1975 level, and advertisers are basically locked into long-term commitments.

In addition agencies are moving quickly to form links with the specialists—this week Lintas announced that Posterlink will handle its outdoor, including its Unilever advertising.

Posters are still an interesting medium, popular with creative teams but the industry will have to settle soon the running controversy over the inspection of sites. Advertising agencies never got deeply involved with posters because they could not afford the men in the field reporting on the condition of the posters. Hence the appearance of specialists.

But although recent research by NOP, financed by the contractors, has sought to reassure advertisers that poster sites are working for them, the first challenge for the newly structured industry is to establish an audit that looks as solid as the AGB television statistics and the National Readership Survey for the Press.

It was hoped that a Poster Audit Bureau would be in operation by October 1 but disputes over who is to pay for it will probably delay its arrival until the New Year. In other media the contractors finance the research but in posters the contractors want contributions from the agencies and the advertisers, while the agencies would very much like an efficient PAB, financed mainly by the contractors. No doubt some compromise will emerge.

But at least one agency specialist in posters (presumably a growing breed since the disappearance of the Poster Bureau) reckons that outdoor will not really come into its own until the power of the entrenched poster advertisers is overthrown. Les Bateman of Lintas says: "While some 30 per cent. of the nation's sites are permanently occupied by a handful of privileged advertisers, scientific and comprehensive packaging of posters will always be an impossibility. You can't plan, for example, a full campaign in East Anglia when you know that in several key towns sites are never obtainable. You can't make a proper showing of your new detergent around supermarkets if the whisky and cigarette boys are already there—and will stay there till countermanded."

Against this British Posters and Independent Poster Sales can point to all the new advertisers in the medium; the agencies can draw attention to their more imaginative creative work; and what statistics there are in an under-researched industry can show that the total poster billing is around £25m. a year, and continuing to expand.

The emergence of packages of sites has made buying easier, and the appearance of a choice of specialist agencies is good because it builds up expertise; but research data and inspection controls, and the entrenched power of certain advertisers, are two problems that outdoor has still to resolve satisfactorily.

Wimpy adds sales muscle

BY OUR MARKETING EDITOR

WHAT DOES a marketing director do when he joins a company which has never really had anyone handling the job before? Well, he obviously starts by commissioning some market research, and organising an advertising test to see the effect of more promotional expenditure on sales.

That, at least, is the text book approach of Ernie Fisher who in March took over responsibility for one of the biggest brand names in the U.K.—Wimpy bars. Indeed his empire covers more than the 1m. Wimpy's sold each week in this country. He rules the world, which doubles the business, and makes Wimpy International, part of Lyons, a £80m. brand at the retail level.

Fisher has few qualms—six years ago he was responsible for one of the U.K.'s other leading products, Birds Eye fish fingers. For the past four years he has been with Lyons, first on the bakery side and now with the job of maintaining the Wimpy in the face of the fierce U.K. competition from the American Macdonalds, the world's biggest supplier of hamburgers.

The research is in three stages —first the basic facts about Wimpy eaters, which has already produced the information that the appeal is wider than the anticipated young people. Then group discussions, prying into the current attitude to a product that has not changed in over 20 years. Finally there will be an examination of the product itself, although Fisher does not expect that there is much wrong with the recipe.

As well as the research there is an advertising experiment. While most of the country gets the usual, fairly small, advertising coverage, London is receiving a TV campaign to the national equivalent of £250,000, while Scotland and Border is receiving a hefty £400,000 equivalent of cash. Sales are being monitored and if the higher advertising more than pays for itself Wimpy International could double its curent £250,000 spend next year.

George Savalas, who is spearheading Wimpy's first co-ordinated international marketing campaign—for £25,000.

The advertising is using George Savalas, of Kojak fame, who for a £25,000 fee is tied to Wimpy for two years, both in the U.K. and abroad. Not only does Savalas appear in the advertising, but he is also being publicised through Wimpy's first step into below-the-line marketing. The problem is that the six hundred plus Wimpy bars are operated by franchisees, who are under no compulsion to use the promotional help. In fact George Savalas has been taken up by virtually all the operators, and point-of-sale material is appearing in the bars.

But for the more detailed promotions Wimpy International is expecting some financial contribution from the franchisees, who gain most from any extra hamburgers sold. Already planned are George Savalas signed posters, to be followed later in the summer by Savalas "T" shirts. This is all a novelty for Wimpy franchisees who in the past have got by without any marketing incentives for customers.

As well as advertising the product more positively (recent campaigns have concentrated on building awareness rather than the quality of Wimpys) Fisher is also advertising for more franchisees for the first time in years. The aim is to build up a chain of 1,000 bars in the U.K. The operators have to contribute £20,000, and one group that Fisher is hoping to appeal to is marketing executives with an entrepreneurial bug.

So far Wimpy has hardly been affected by Macdonalds which has just six operations in London. But the U.S. company is probably spending more on advertising those half dozen outlets than Wimpy does for its 300 in the capital. Where the rivals trade next door, as in Croydon, the extra publicity seems to have helped Wimpy's sales, but the new marketing activity and the weight of George Savalas are obvious precautions to ensure that the British hamburger maintains its edge on the overseas challenger.

Press now a bargain

"THE MEDIA case for newspapers was never stronger than it is right now" declares the anonymous author of "Newspapers, A case for creativity" in Young and Rubicam's latest occasional bulletin, Time and Space.

The article illustrates the advantages of a newspaper schedule on a £250,000 budget and states "compared with the low delivery of network TV at to-day's prices these alternatives offer conclusively either heavier concentration or conversely a spread of advertising across a much wider time span." Four newspaper plans are illustrated using the same budget and, compared with TV, the opportunities for housewives to see the ads are much higher in the Press. Coverage is higher on TV but newspapers are described as giving "controlled cover."

Similar arguments are put forward by IPC Magazines in a brochure that is to be mailed out to creative, media and account directors in agencies and to managing and marketing directors among advertisers.

"More under-45 housewife coverage than on TV . . . and double the frequency," is the heading on the page of buys for differing budgets. £150,000, for example, will give a coverage of 81 per cent., half in black-and-white, while in magazines the cover is 82 per cent. all in colour. On the back of the brochure is a list of well known products whose advertisers have turned to magazines since January 1975 including Anchor butter, Heinz Toast Toppers, Kelloggs Special K and Wall's ice-cream.

Planning ahead

THE Henley Centre for Forecasting has introduced a new quarterly service of importance to the marketing world. It is entitled "Planning Consumer Markets" and aims to provide a forecaster's kit for those responsible for devising marketing plans in consumer markets at a cost of £240 a year.

The first issue deals with such lively topics as the significant redistribution of income, showing a real growth in income of the lowest-paid quarter of the population in the past year; shifts in the age structure of the population; and a breakdown of income by TV region, with predictions of changes in each area.

BY PAMELA JUDGE

Domecq plugs gap

AFTER a successful test market exercise in the Granada TV area Luis Gordon is now selling in its range of Spanish Sun sherries nationally. In August a £250,000 TV advertising campaign will start to promote a sherry which is in the same price range as the cheaper, non-Spanish, sherries.

This new diversification by Luis Gordon, best known for its marketing of Domecq lines in the U.K., underlines the change in the sherry business in recent years, with the non-Spanish products grabbing around two-thirds of sales, and in value terms outselling the genuine article by £125m. a year to £95m. The brands from Cyprus, South Africa, the U.K. and elsewhere have done particularly well since the Spanish producers upped their prices by almost a quarter around two years ago.

Domecq is carefully not attaching its brand name to the Spanish Sun range but it sees it as completing an across the board brand range. Last summer it started to build up the Double Century name in the medium price range by adding a Double Century Cream. This year it has produced an Amontillado. In the spring it repackaged its four premium sherries. Now there is time to look at the opportunities in other drinks, with a vermouth and a German wine promised for later in the year.

Domecq claims a quarter of the Spanish sherry business, competing on level pegging with Harveys of Bristol. But this year it reckons from its line extensions to have raised sales by a quarter in a stagnant market. This is very much a tribute to the £1m. marketing budget which embraces both the Orson Welles testimonials for the Double Century lines, which claim almost 20 per cent. of Sherry sales, and will return later this year, and to promotions. Double Century Cream was introduced with a free sherry glass offer; the Amontillado with a pack of sherry biscuits; and the newly labelled premium range with a "write your own cheque" promotion.

THE FINANCIAL TIMES

Established 1888

Incorporating THE FINANCIAL NEWS

Established 1884

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922 | Brussels: 39 Rue Ducale | Rome: Via della Mercede 55 | Stockholm: Raalambsvägen, Stockholm | Dublin: 8 Fitzwilliam Sq. | Edinburgh: 16 Hanover St. 031-226 4139 | Leeds: Permanent House, The Headrow 0532 454969 | New York: 75 Rockefeller Plaza, N.Y. 10019 | Manchester: Queens House, Queen St. 061-834 9381 | Washington: Second Floor, 1325 E. Street, N.W., Washington D.C. | Paris: 36 Rue du Sentier | Bonn: Pressehaus 11/104 Heussallee 2-10 | Jo'burg: 417 Union Centre East corner: Pritchard and Harrison Streets P.O. Box 2128 | Frankfurt: Frankfurt am Main, Im Sachsenlager 13 | Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

THURSDAY, JUNE 24, 1976

Mr. Varley's warning

MR. ERIC VARLEY, Secretary of State for Industry, gave a clear warning yesterday to the Confederation of Shipbuilding and Engineering Unions that the capacity of the shipbuilding industry will have to be reduced. "We are facing," he said, "not a short-term recession, but a major structural change in demand which will last for very many years." The order intake at U.K. yards in the past 18 months has been running at a rate of about 230,000 tons a year, some 20 per cent. of the industry's normal annual output. Most companies will be running out of work by the middle of next year. Even with the recovery in world trade, there is no prospect of a revival in ordering on anything like the scale needed to keep the industry fully employed. It is an international problem, as Mr. Varley said yesterday, but the British yards, with their low productivity and their bad reputation on delivery, will be among the worst victims.

Social problems

This dismal prospect, which presents far more difficult social problems than, say, the Chrysler situation, has been known about for many months. It is deplorable that detailed discussions on how to deal with it are only now about to begin: the Government is to hold talks next month with the unions and with the organising committee of British shipbuilders. While endless hours have been spent by Government officials, Members of Parliament and the industry in arguing about the nationalisation proposals, the issues that matter have been virtually ignored.

Other shipbuilding nations, in the meanwhile, have been making progress. Sweden, for instance, has worked out in some detail the amount of capacity reduction which will have to take place and the mechanisms by which it is to be achieved. The co-operation of management and unions has been sought, with apparent success, and the role that the Government is to play in the rationalisation has been defined.

It is characteristic of the difference between the Swedish Social Democrats and the British Laour Party that the future of the British industry should have become enmeshed in a doctrinal debate about public ownership.

The Government may have to pay a heavy price for the delay in the attitudes of the industry's employees and of the unions that represent them. Despite the evidence from other parts of the public sector, the idea that nationalisation somehow guarantees job security dies hard. The view has been expressed by some union leaders that nationalisation will not merely arrest the British industry's decline, but will serve as the springboard for expansion. One hopes that Mr. Varley's remarks yesterday—and those of the Prime Minister a few weeks ago — will dispel these illusions, but there is no doubt that a great deal of education will be necessary before the unions can be brought to acquiesce in what will inevitably be a substantial cut in employment.

Permanent

There are international discussions in progress, at various levels, on a co-ordinated approach to the crisis, particularly on the tanker side. But the basic question is whether individual governments are prepared to face up to a permanent reduction in their shipbuilding capacity. Mr. Varley spoke yesterday of his determination to maintain "our fair share of the market," but he was careful to add that this would not involve "indiscriminate subsidies or measures which will make the world situation worse."

In any case, given the emergence of new shipbuilding countries with lower production costs, the British industry's share of the world market, as well as its absolute size, will probably continue to decline. The industry faces a painful adjustment, made all the more difficult by the upheaval of nationalisation: but that problem the Government has brought upon itself.

Better accept the universe

THE TUC General Council yesterday endorsed without much discussion the document adopted by the TUC-Labour Party liaison committee as the basis of a continuing social contract over the next three years. The National Executive of the Labour Party, however, rejected it in its present form by a vote of 11 to 8. This rejection was made possible only because various Ministers were kept away from the meeting by engagements connected with the visit of President Giscard d'Estaing and is of no lasting significance. The vote will be reversed before long and the document will be approved.

There is a sense, indeed, in which yesterday's vote against the document, rather like a schoolboy cocking a snook at the headmaster while his back is turned, represents a last fling of the Left-wing against the Government. Mr. Calaghan has made it plain that he does not intend to be run by them and that he regards their real power as small: neither he nor the trade union leaders who have worked together to agree on a statement of policy are likely to be amused by this latest piece of attitudinising. No doubt there will be trouble with the Left — there always is — at the Party Conference in the autumn, but the Government looks at present quite capable of handling it.

U.S. advice

There is no doubt that the decision to reject the policy document in its present form was influenced by reports in yesterday's newspapers of what the U.S. Secretary of the Treasury and one of his assistants had had to say and hint at the OECD meeting in Paris about Britain's economic policy. Both made the point that it was impracticable merely to say that the foreign exchange market was getting rates wrong without making changes in economic policy, and that creditors would become increasingly reluctant to make loans unless certain conditions were observed. The implication clearly was that there should be a reduction in the public sector deficit.

Treasury and central bank officials normally take care not to worsen the political difficulties which governments often experience in pushing through sensible economic policies. One may argue, depending on one's point of view, that the U.S. Treasury ministers were unusually tactless on this occasion or that their outspokenness was evidence of the extent to which their patience has already been tried by the failure of successive British governments to get their economic affairs into order. But the fact is that the Government now shows every sign of moving in the direction that seems necessary to outside observers. Both the Prime Minister and the Chancellor made it plain at Monday's meeting of the liaison committee that they could not rule out the possibility of further cuts in public expenditure next year

Cuts inevitable

Such cuts will have to be made as the business recovery proceeds to free resources for other purposes — for stockbuilding, improving the balance of payments and capital investment in the first place, and later for allowing some increase in private consumption spending. Whatever trade union leaders may think about the virtue of public expenditure in principle, they are quite well aware that in practice many of their members want to spend more of their earnings for themselves rather than have them spent for them by the State. It may suit the xenophobes on the Left-wing of the Labour Party to convince themselves that these cuts are being forcibly imposed by a cartel of foreign bankers who are bitterly opposed to any form of socialism. But this—as Herr Schmidt, for example would be only too pleased to tell them—is utter nonsense. It is high time for them to accept the universe.

After the war a garage owner started making replacement parts for cars—then in short supply. Imitators came and car and component makers hit back for a share of a £1.5bn. market. Foreign car firms are competing. **Terry Dodsworth** reports.

Leonard Burt

Motorcraft (Ford) fights back with "shops"

HOW VEHICLE AND COMPONENT MAKERS HAVE EXPANDED INTO DISTRIBUTION

Manufacturing Company	Distribution Company	Branches	Main Product Lines
British Leyland	Unipart	Leyland distributors	Variety of fast-moving parts—spark plugs, filters, electrical items.
Ford	Motorcraft	Ford dealers	" " "
Chrysler	Mopar	Chrysler dealers	" " "
Lucas	Lucas Service	400	Electrical equipment
GKN	GKN Spa E. S. Heap Replacement Services	7 5 9	Mainly accessory cash and carry. Engine and chassis parts
Associated Engineering	AE Edmunds Walker	100	Engine, chassis and transmission parts
Automotive Products	Autela	40	Clutches, hydraulics, silencers
Smiths Industries	Godfrey Holmes Affiliated Factors Longlife	60 45 60	Brakes, ignition systems, filters " " " Off-High Street retailing
Armstrong Equipment	Armstrong Autopart	150	Shock absorbers, clutches, exhausts, hydraulics
Quinton Hazell	Partco	110	Cooling and exhaust systems, steering rods transmissions

A new car war of many parts

ONE of the time-honoured axioms of the motor industry is that there is always money to be made out of spares. Shortly after the last war when car replacement parts were almost as rare as gold dust, a Welsh garage proprietor called Quinton Hazell decided to put this piece of conventional wisdom to the test. He went into manufacturing on his own account. Within a few successful years, while imitators were rushing to copy his ideas, he was off on another tack expanding into distribution as well. Quinton Hazell, as he named his company, became one of the glamour stocks of the 1960s, later to be absorbed by another growth company of its day, Burmah Oil.

The success of Quinton Hazell and its imitators inevitably forced the established motor companies to look hard at the replacement market. Underlying Quinton Hazell's formula were two quite simple propositions.

The first was specialisation. The QH business concentrated on replacement, where margins are more assured than in supplying original equipment (OE) to the vehicle assemblers. Secondly, the development of the QH distribution arm, which was to become one of the largest in the country, gave the manufacturing company some assured outlets.

The lessons were taken to heart by both vehicle manufacturers and established component suppliers. They were aggrieved that the "spurious" manufacturer—the term used for producers that make no original equipment but sell to the replacement market — were getting some of the business they believed to be rightly theirs by virtue of the original design effort put into their products. And they claimed that the "spurious" manufacturers were creaming off profits by concentrating only on the large volume products and ignoring the low-margin, but still essential, slower moving items.

At stake was an extremely large market by any standards. No one is certain quite how big it is, but most research points to an annual retail value in 1975 of at least £1bn., and the research department at one City stockbroking company, Grieveson Grant, puts it as high as £1.5bn., including commercial vehicle replacements (see table). Possibly £1bn. of this is in "competitive" parts which are not controlled through patents by the original equipment manufacturers and the vehicle assemblers. Clearly no manufacturer could afford to ignore these opportunities, or watch an established stake in them rot away.

THE £1.5bn. REPLACEMENT MARKET: ESTIMATED BREAKDOWN

Component type	Percentage
Tyres	33.5
Batteries	7.3
Engine electrics and lighting	9.8
Exhaust systems	4.6
Engine mechanical parts	8.5
Filters	4.3
Brakes	5.2
Cooling systems (including antifreeze)	10.2
Chassis components (including bodywork)	10.1
Accessories (radios, etc.)	6.5
	100.0%

Source: Grieveson Grant

Predictably, nearly every large vehicle and component group has hit back against these new competitors. The vehicle manufacturers themselves (British Leyland, Ford, Chrysler) have established their own parts distribution networks selling branded products for virtually any British car: and the large component producers — Associated Engineering, Automotive Products, Smiths Industries, GKN and Armstrong Equipment — have all emerged with new distribution chains. Lucas, the other big name in the U.K. components industry, and a company that has always maintained a strong distribution organisation, has been steadily expanding its range, particularly trying to attract replacement business for foreign cars.

The crucial decision behind the vehicle manufacturers new ventures was to go into distribution of spares for competitors' cars—known to the industry as "all-makes" programmes. This was a considerable innovation at the time, resisted at the beginning by the original equipment manufacturers. The danger to them was that the vehicle assemblers had a ready-made distribution system through their vehicle sales network, well attuned to the parts market: now, with the creation of Unipart (BL), Motorcraft (Ford), and Mopar (Chrysler), the vehicle manufacturers suddenly acquired a much greater interest in the "competitive" parts business as well.

Only Vauxhall the General Motors subsidiary, stood aside from these moves on the ground that it could hardly claim a unique ability to supply Vauxhall spares if it were supplying everyone else's as well: but A. C. Delco, also owned by GM, does make rival manufacturers' parts.

What the vehicle manufacturers hoped to do with these new enterprises was to carry the battle back to their new competitors in two ways. First they wanted to extend their own parts business by supplying parts for competitors' cars (even foreign cars are now being brought into the net): secondly, they hoped to recapture as much as possible of the competitive parts business on their own cars.

Simultaneously the vehicle manufacturers have been trying to exploit the growing self-service do-it-yourself end of the business. They have developed sophisticated packaging and marketing programmes (Unipart spends about £1m. a year on advertising) for the smaller fast-moving parts like spark plugs to get them into High Street shops and the supermarkets. And Unipart has developed a distributor-based DIY operation in which part of the distributors' showroom is made into what is in effect a shop.

It is difficult to know exactly how successful the manufacturers have been in halting the gradual slide of the public away from their own replacement parts with measures like these. In 1970 it was reckoned that British Leyland, by far the biggest prey for the "spurious" manufacturers in the British market, was holding only 25 per cent. of the replacement market for its cars: but the launch of Unipart has boisted the company's share. To-day, it claims more than 45 per cent.

The large component manufacturers have had a different motivation. Part of their reasoning was a straight desire to protect their market: since the earliest days of the large component companies several have had a wholesaling interest, and Lucas, in particular, has seen it as a mainstay of its business, developing through the distribution branches a highly successful reconditioning service.

In Lucas's case the argument for establishing this network—it has 400 wholesaling outlets, half company owned, the rest under franchise—was more pressing than for most. The company sells relatively high-value electrical products—ignition equipment, dynamos and so on—which unlike many motor components depend fundamentally on its own research and development. But in the late 1960s other companies began to take a leaf out of Lucas's book. Associated Engineering bought Edmunds Walker, Automotive Products took over Autela, and Smiths Industries captured Godfrey Holmes, Affiliated Factors and Longlife; later the U.S. components company, Dana, acquired 63 per cent. of Brown Brothers.

The second factor in the component manufacturers' expansion has been simply a desire to diversify. Armstrong Equipment and GKN, both only recent entrants into wholesaling, are good examples of this trend. Armstrong, primarily a manufacturer of shock absorbers, says that it needed to broaden its base because margin control in its main business dictated a switch to turnover growth. GKN, which bought Spa Factors, E. S. Heap and Replacement Services, argues that with its already sizeable wholesaling interests (in nuts and bolts, screws, steel stockholding and tools), motor components is just another field where it can use its expertise. Both appear to be intent on building fairly large-scale operations. Indeed Armstrong is aiming for 500 outlets by about 1980, a target that, though viewed with scepticism in some quarters, would probably make it the biggest parts distribution company outside the vehicle manufacturers.

Impact of MoT test

There will also be further moves to bring the distributors closer to consumers. No one yet dares to calculate what the limits of the DIY market might be. But the growth of the spares business in large stores like Woolco and Asda, the success of Unipart with its 200 distributor-based shops, and the attempts of oil companies like Esso and tyre concerns like Firestone to sell parts—mainly tyres, accessories and batteries—tell their own story.

In fact, several of the component companies have retailing ventures: Smiths Industries, for example, has 60 shops in its Longlife chain which it aims to expand to about 250 outlets. Lucas has developed dispensing displays for garages, Armstrong is dabbling with direct retailing, and the Burmah Oil group sells tyres and batteries direct to the public through its Standard Motorists subsidiary. QH, of course, also has links with Halfords, the High Street group, another Burmah subsidiary.

The question now is how much growth there is left in the market to accommodate these new forces. One significant factor will be the increasing stringency of the MoT test, which may well be expanded this year to cover direction indicators, stop lamps, windscreen washers and wipers, the horn, exhaust systems, and the condition of seat belts. When shock absorbers are brought into the test next year, it is estimated that the replacement market for them will jump from the present level of £12m. a year to £30m. in the first year of operation.

On the other hand, the underlying strength of demand depends on the number of vehicles on the road, and the post-oil crisis sales slump has spread down the vehicle pipeline. There is already talk of heavy discounting and of the growing market share being taken by imported models, which are being followed into Britain by expensive computer-controlled parts distribution networks.

Domestic manufacturers and distributors have high hopes of capturing some of the importers' business, partly because many foreign cars have U.K.-designed components in them. But Datsun, Renault, Fiat and Mercedes—all have opened parts centres in the last few months—are clearly determined to retain most of their own after-sales business, and that goes for most other importers.

Renault, for example, while accepting that some 25 to 30 per cent. of its parts replacement business goes to competitors, mainly for batteries, tyres and exhausts, believes that it will be able to hang on to its 70 per cent.; and importers claim to be steadily reducing prices to nearer the U.K. level. There is still, of course, argument about that particular claim: the signs are that before the dispute is settled there will be many commercial battles just around the corner.

MEN AND MATTERS

Commissioner no more

The Church Commissioners have taken a stern line this year with the Midland Bank over loans to South Africa. With their 760,000 shares in the group the Commissioners declared themselves in militant mood about the issue in February: in April they supported a resolution at the Midland annual meeting calling for an end to such finance.

One man who clearly found himself awkwardly on both sides of the fence was Philip Shelbourne, ex-Rothschilds, who ran the Drayton investment trust group and became a Midland director two-and-a-half years ago when the bank bought Drayton. Another job he had, however, was that of Church Commissioner, one of four nominated by the Archbishop of Canterbury.

He was appointed in 1968 and re-appointed in 1972 for a further four years. But now, as a spokesman for the Commissioners said yesterday: "Mr. Shelbourne's term of office as a Commissioner has expired and he has chosen not to ask for it to be renewed."

He was originally on the Board of governors of the Commissioners, but in 1971 moved from the general to the specific in going on the assets committee, responsible for handling market securities and property investment and having the final say in those areas.

Obviously, the emotive question of South African loans reverted to being the concern of the governors. The annual meeting resolution was predictably defeated heavily by 47.4m. votes to 2.95m. As for Shelbourne, he agreed last night that his decision not to continue as a Commissioner "was connected" with the Midland tussle, but he declined further comment.

"Is it a stand seat you want, sir, or the stand itself?"

Too much, too much

The Americans are, of course, legendary for their ability at the hard sell. I wonder, however, whether they have got it quite right in the following case of an advertisement for the Plaza Hotel, New York. I quote, "Joseph Trombetti is executive chef at The Plaza where his staff of 100 process and prepare over 1,700 different foods daily for six Plaza restaurants, 24-hour room service and all social and business functions.

"'Plaza meals are prepared in our own butcher shop, vegetables are fresh and cooked to order, and we make all our Plaza sweets', explained Joseph as he tested some soup, surveyed a huge fish, and answered questions in four languages."

Speaking personally, I would have more faith in The Plaza if their executive chef concentrated on one thing at a time.

Pricey

Those batting on the side of capitalism have often found one big problem to be the education of small investors in the mysteries of the market place. Freddy Lawson, managing director of the Lawson Securities unit trust group, tells a nice tale on that theme. A lady bought a few units some years ago when the price was around 20p each. Recently, she wrote in saying she would like to buy some more. Fine, replied Lawson Securities, giving details of the up-to-date price—around 40p. Back came a most indignant letter. The lady had heard, she said, of inflation, but that price rise was ridiculous . . . .

Cornered

Just a couple of hours before Dr. Walter Marshall lambasted nuclear industry bosses about the "real risk that the industry would not survive the next 10 or 15 years," at the annual lunch of the British Nuclear Forum yesterday, the BNF appointed a new director. But when I spoke to the hapless appointee, Jim Corner, to ask how he felt about winning one of the hottest seats in an industry with such a dismal future, all he wanted to say was: "I am off to the Austrian Alps to-morrow and I do not want to know."

There's further irony in the fact that Corner, 40, and chief Press officer of the Central Electricity Generating Board for the past three years, is a mining engineer and qualified colliery manager. The coal and nuclear industries see themselves locked in competition for the all-too-meagre orders of the electrical utilities.

But the BNF itself has been faced with a threat of extinction for the past year, since Jim Stewart, nuclear adviser to Sir Arnold Weinstock at GEC, became its president. "Either I'll make it stand up or I'll kill it," warns Stewart. Pitifully underfinanced when he came to office, and racked by dissension among its members, under Stewart's regime it has almost doubled its budget to £50,000 a year.

For this (still very modest) sum Corner is expected not only to pursue its three main missions of providing a forum for industry to meet, mounting representations to government, and representing the industry internationally, but to add a major new mission. This will be to develop the industry's relations with an increasingly sceptical public.

The BNF has always found it difficult to speak with a single voice. What Stewart at least expects from Corner is a man "prepared to use his personality to draw together and consolidate its opinions." Well, they say that a sentence of death concentrates the mind wonderfully.

Look ahead

A young man was applying for his first job in an office. "You really have very few qualifications," his prospective employer said, "but you seem bright and anxious to get on. So I'll pay you £20 a week now and £25 a week in three months. "Right sir," came the reply. "I'll come back in three months' time."

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

An alternative to the Social Contract

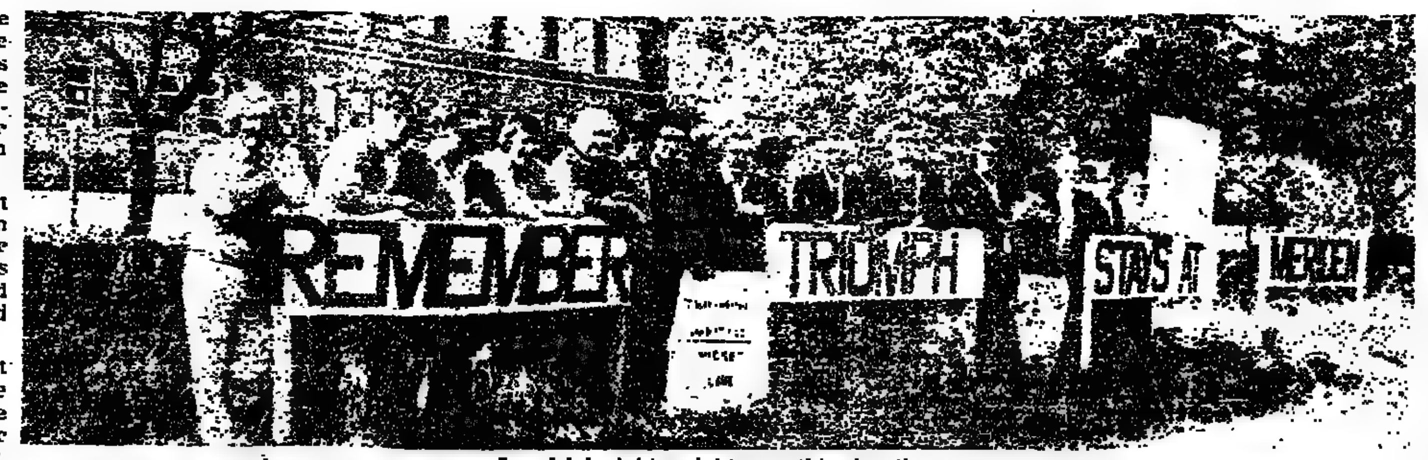
HE WEAKEST aspect of the opular case for the free arket—and for certain kinds f "planning"—has been the has in favour of change associ- ted with it and the impatience ith those who lose from conomic growth.

Such impatience is not in fact ood economics: for it flies in he face of the sound principle hat a change which makes me people better off and thers worse off is neither good or bad, but indeterminate.

The area where the most ctive attempts are being made compensate people for the dverse effects of economic hange is that of job security. nfortunately, the present pproach is doing more to eter new employment than to rovide genuine security. mprovements would be pos- ible if we went back to fun- amentals.

The Employment Protection ct puts obstacles in the way f redundancies, but no in- uperable barriers. Redundancy yments, political pressure, nd direct industrial action, all perate in the same direction. hus employers have found emselves faced with a hidden verhead per person employed, nposed during the last two or hree years over and above their ficial wage bill. The effect has en much more to discourage e provision of new jobs than provide genuine security, as worker can still be sacked if e financial pressures are eat enough.

There is an alternative pproach. It is to give workers e option of jobs to which they ould have a contractual right d of which they could not be prived without their consent.



Legal job rights might save this situation.

What I am proposing is something far more radical than anything that Mr. Wedgwood Benn has proposed, although entirely compatible with a market economy. It is the option, for workers who want them, of *property rights in jobs*. My proposal has been sparked off by the Japanese system of permanent employment, but is given a much more liberal twist. A worker possessing such a property right would be entitled to stay until retiring age. If, on the other hand, he wished to leave, he could, in contrast to the situation in Japan, sell his job entitlement for the remaining years at market value to any qualified person wishing to take his place.

An employer who wanted to reduce his labour force would offer a price to workers who agreed to give up their rights voluntarily. There would have to be safeguards against workers colluding to overstate the market value of their jobs, and against misrepresentation by employers of the number of redundancies at which they were aiming.

There could be no question of giving workers property rights in existing jobs just like that. There would be an optional element in new contracts, for which a price would have to be paid. A worker who wanted the security of permanent employment could not expect the same take home pay as someone of comparabe skill and reliability who was prepared to chance his luck on the labour market. If existing workers wanted job rights, this would have to be traded off against future pay increases.

Job rights are a more far-reaching idea than redundancy compensations. The latter is determined by past contributions and statutory provisions. There is no relation between redundancy pay and the value of the disappearing job, compared with the next best alternative, or the costs, risks and anxiety of searching for that alternative.

The point that cannot be sufficiently emphasised is that property rights are not a soft option or an easy way for market economists to appeal to the Left. On the contrary, they would be expensive. Employers offering such contracts would have to make more far-reaching commitments than at present: if they miscalculated future demand, they would either have to pay workers who were not fully occupied or diversify into other activities to avoid manpower wastage, or pay workers to go away. The flexibility of employers in varying their labour force would be reduced: and this would raise employment costs. Thus, the level of real take-home pay they could afford to pay would be less than under "hire-and-fire" procedures.

Guaranteed employment could only work in a free society if there were a good many other non-guaranteed jobs to provide a margin of flexibility against recession and to cope with structural change. The existence of an ordinary job market would also be necessary to establish the going rate to which pay for protected jobs would be related. Guaranteed employment in Japan probably covers no more than 30 per cent. of the labour force.

The biggest difficulty of property rights is that contracts of employment would have to be fairly complex and spell out a great many conditions at present unspecified. They would have, for instance, to specify how the going wage, at which the contract operated, would be determined, as well as working conditions and range of tasks, together with arbitration machinery.

Japanese experience suggests that it is possible to spell out the conditions for job security without misunderstanding.

Provision would be required in the British context for employers who were not financially able to carry out their obligation to provide continuing employment. A variety of approaches would be possible, including perhaps compulsory insurance by employers in respect of protected jobs. Compensation for dismissed workers could be a prior charge on firms' assets, as back payment of wages already is under the Employment Protection Act.

The job rights proposal is worth pursuing for its own sake. But it would also serve as a *quid pro quo* when the problem of strike-threat power comes to be tackled, as one day it will have to be: after the illusions of incomes policy have worn away.

Contrary to popular belief, strike threats cannot be a cause of continuing inflation. They may lead to lower real wages or unemployment among the less strongly unionised groups. They can lead to more widespread unemployment if there is a mistaken belief that the monetary authorities will finance a higher level of settlements than they actually can.

But even these indirect effects can be exaggerated. The real harm of the strike threat system is political. Governments live under the knowledge that particular groups may hold up essential services unless their demands are met. The fear that people may starve, or freeze, or be faced with a mass breakdown of sanitation and health, in the face of a showdown with one or more key unions, has become the dominant force behind too many political decisions.

Fortunately, strike threat power is not possessed in this extreme form by most unions. There is, of course, no hard and fast dividing line: but effective blackmail power is probably concentrated in no more than 5-15 per cent. of the working population at most.

There is no right to strike in the Armed Forces and few people would advocate it there. Why should not some 5-15 per cent. of the economy be categorised as outside the strike threat area? In contrast to the Armed Forces, workers would still have the right to withdraw their labour individually, but not collectively. Strikes were illegal in a few key sectors such as water, sewage and power before the Conservative Industrial Relations Act.

On choosing or changing a job, a worker would have to weigh up the disadvantages of the absence of the strike weapon in these sectors with the compensating advantages of the better pay and conditions necessary to recruit enough people to these sectors. A limit of this kind is probably a condition for the continuation of an independent collective bargaining system in the remainder of the economy.

Just as job rights are a cost to an employer (private or State), which reduces the real wage he can offer to a worker of given skill and reliability, a no-strike contract is a benefit which enables him to afford higher wages.

Thus, both employers and employees would be able to choose among four basic kinds of contracts, with any number of individual variations:

1. No job security and full right to strike.
2. No job security and no right to strike.
3. Job security and full right to strike.
4. Job security and no right to strike.

There is no need for a mandatory nation-wide scheme at all. To begin with, the State should confine itself to financial encouragement of property rights in jobs: for example by making available its redundancy contributions, and perhaps also the equivalent of unemployment pay for a period, to employers who themselves bear an additional cost in keeping workers on their books. What is required is not just an anti-recession expedient, such as the Temporary Employment Subsidy, but long-term support for job security contracts. *Clearly* a great deal of case law will be required to prevent abuse.

As far as the no-strike type of contract is concerned, it would be best to proceed on an experimental basis with groups who wished to work in this way. The first need is to bring such contracts from the reaches of the unthinkable into the reaches of the possible. It will be necessary to ensure that there at least are no legal obstacles to such contracts; and perhaps in the end to make them legally enforceable. After the new approach has been in operation for some while, the national law relating to strikes should be examined, with special references to the essential services.

The object of this article is to suggest possibilities of progress based on consent, both at a national level and through an extension of freely *negotiated contracts*. This is—whatever amendments and alterations are required — a potentially superior approach to the steamroller use of a Parliamentary majority, and to Corporate State deals with a handful of union and business leaders.

Letters to the Editor

Multinationals not always big

rom Sir Michael Clapham

Sir,—"A framework for big usiness" was the heading you ve to Rupert Cornwell's other- ise excellent article on the rganisation for Economic Co- eration and Development idelines for Multinational nterprises. May I beg you not add your support to the llacy that most *multinational nterprises are big*?

Multinational operation is the rmal mode of industrial evelopment in a world at peace. eas and designs are incom- arably more portable than anufactured goods: so unless ere are major economies of ale the economic way to use ventions is to activate them by ising capital in or transferring pital to the markets where the oduct is wanted. The man who velops a better mousetrap is t so foolish as to wait for the orld to beat a pathway to his or: he sets up manufacture herever he sees a market for ousetraps. Multinationalism esn't equate with size; in most untries there are large and apid enterprises with no reign affiliates. What it rmally equates with is tech- ological progress and enter- ise.

Asked for a list of multi- tionals, the man in the street ould perhaps name a score in e world, a dozen in his own untry: all of them big. How any well-informed people ould get near the actual ures? In 1973 the United tions secretariate identified 76 multinationals in 15 untries, of which 2,468 were the U.S. and 1,692 in the U.K.; believe the totals are under- ated, possibly by a factor of . In the U.K. a count rough *Who owns Whom* for 73 identified over 1,750 public mpanies with overseas manu- cturing subsidiaries; but to this e must add the numerous ivate companies operating erseas. There is a substantial mber of multinationals among ose firms, employing not ore than 200 people, who are presented on the CBI Smaller rms Council.

The situation was I think ll understood by the OECD mmittee on International vestment and Multinational terprises. In judging the quirements they lay down for ltinationals, let us not ignore e demands they make on the aller firm.

chael Clapham

Hill Street, W.1.

New issue business

om Sir Malby Crofton, Leader the Council, Royal Borough of ensington and Chelsea

Sir.—Your columnist Lex fers (June 19) to the effect hich the low level of Stock Ex- ange business is having on oking firms. He makes the int that the highly profitable derwriting and new issue siness is largely concentrated the hands of about 12 firms.

But this is the point, among hers, which I made when I t forward my recent proposals r a central underwriting fund. et in writing about those pro- sals (June 2), your columnist smissed them with what I can ly describe as pontifical and l-informed comment. The con- ntration of new issue business unquestionably a scandal and blemish on the City's reputa- on for fairness and efficiency.

It is certainly not in the inter- ts of anyone, least of all the ity, that too many broking rms should be forced out of usiness because a handful of rge firms are keeping the eam to themselves. The last thing we ought to want is a cartel in Stock Exchange business, any more than we want it in other spheres of activity.

Malby Crofton.

Town Hall, Kensington, W.8.

Tax on fringe benefits

From Mr. P. Clarke

Sir.—The amelioration of the Finance Bill provisions for taxing fringe benefits is good news for everyone. It is a comfort to know that Parliament still shows some sensitivity to the protests of the downtrodden citizens.

But it is worth remembering that the penumbra of perks and tax concessions are only a second best to the happier alternative to people being paid in money, for them to spend as they choose. It is also worth considering what manner of protected civil servant or subsidised politician it was that seriously proposed such a damaging suppression of tax concessions. It is plain to any alert person that it would cause great damage to a number of industries, make life meaner for many, cause no happiness, create no benefit.

Is the Treasury run by people on the side of Britain?

Peter Clarke.

Research Officer, The Federation of Civil Engineering Contractors.

Romney House, Tufton Street, S.W.1

Historic houses

From Mr. H Leggatt

Sir. — The gravest concern has arisen among the artistic and heritage community of this country in connection with a Government amendment (new clause 85, 3b) to the Finance Bill which, if passed, could wreck the entire future of our historic houses.

While the Treasury appears to be concerned with their protection by allowing maintenance funds to be exempted from capital transfer tax, the truth is that the Government naively believes that public-spirited owners will be persuaded into handing over funds irrevocably, the residue of which, if their families fall on hard times, can never be reclaimed even on payment of the entire appropriate taxes.

With the already penal level of taxation on our cultural inheritance, this new amendment merely adds insult to injury.

Hugh Leggatt.

30, St. James's Street, S.W.1.

Productivity measurement

From the Head of the Department of Management Manchester Polytechnic

Sir.—It is not surprising that during a period when a great deal of attention is being focused on industrial performance that readers should advance their views on performance measures. What is surprising, however, is the simplicity of approach towards measurement of productivity which is, after all, an extremely difficult concept.

Students and researchers working in the general area of performance and predictive measures quickly become conversant with the views of the respected authorities in this field. Numerous models have been developed over the years, numerous because of the difficulty in determining or agreeing on the *most* acceptable factors to consider and difficult because of the various perspectives taken, whether these be labour based or capital based.

Perhaps more than others the views of Devrinch with the qualification of Florence present strong arguments for adopting labour as the only true base for the calculation of productivity, a view which perhaps would be more acceptable at this period of time, even though there are clear deficiencies in these arguments. Similarly, the monetary approaches involving measures of capital utilisation are perhaps more acceptable as indicators for investment and yet at the same time present little evidence at departmental level, for instance, to isolate areas for further improvement, and again would not gain acceptance as being *universally applicable* although Rostas argues that these are much superior under competitive conditions. Similarly, the value added per person concept is perhaps of considerable use for overall indicators but is clearly of little use when comparing labour intensive industries with capital intensive industries, the most glaring example being the 1963 consensus figures showing the output per person employed in the textile industries in Wales.

Others, more concerned with applications have made useful contributions in an effort to combine labour and capital measures and with some qualification have much to commend. Beeching and Smith, for instance, suggest a conversion of capital to labour thus enabling all factors to have the *same* units, an approach worthy of adoption for some industries. Similarly, others, including Norman and Bahari, Waddington and Swann have formulated measures based on empirical work undertaken in the machine tool industry.

In conclusion, it must be emphasised that the productivity concept has been the subject of much research over the years which has resulted in many measures being advanced and implemented but there is no one acceptable measure. Productivity measures are formulated bearing in mind the *uses*, whether these are for inter-departmental, company, industry or national, and always with an awareness that even then the comparison will likely require qualification. Meanwhile, let the search and debate continue.

K. Swann.

Manchester Polytechnic.

Hilton House, Hilton Street, Manchester.

Insuring the home

From Mr. P. Lovejoy.

Sir,—Eric Short (June 21) highlighted once again the problems faced by the householder in maintaining adequate insurance cover. Particularly with house contents, an exercise to revalue every item each year is a daunting prospect. The answer is the blanket percentage increase, but with most householders looking to cut costs wherever possible this may not be the best solution.

I have discussed the problem with several friends and find much interest in insuring only specific items rather than the complete contents of the home. For example, if it is destroyed or stolen I require a new bed or new carpets, but if many of my older odd pieces of furniture, or the expensive yet ghastly vase a dear aunt bought, were lost I could live quite happily without replacements. Why then do I have to insure these latter categories, inflating their value each year.

I have asked three insurance companies and one broker if it is possible for me to supply a valued schedule of the possessions I wish covered—the answer was no. A schedule could easily be updated and revalued annually and might consist of about fifty items. These could be adequately priced on a Saturday stroll around the shops and additions would be few. While business can obtain such cover for plant and machinery, it would not appear to be available for householders.

P. Lovejoy.

49 Valley Road, Rickmansworth, Herts.

The leading exporters

From Mr B Talbot

Sir,—The World Trade News column of June 17 contained an article on Britain's leading exporters, and while the list of the top 100 showed some impressive looking figures, it surely did not really tell the story of British firms in their role as exporters.

As Geoffrey Owen pointed out, more meaningful figures would be the net foreign earnings by those companies after deduction of the cost of imported raw materials and royalties payable on foreign patent licences and know-how agreements. Such a list would certainly change the order quite considerably of some of these 100 firms.

Surely what one really needs, however, is a list showing exports as a percentage of total sales. I suspect that this would put Distillers at the top of the list and move Racal from the bottom of the list to somewhere at the top, within the first ten. Such a list would show which companies are really trying to sell their products in export markets and who are contributing most in their efforts towards solving the country's balance of payments problems. It might also serve as a spur to some companies who have impressive turnover figures, but minimal export percentages. It should, of course, also bring in those worthy earners of foreign currency such as insurance, shipping and other service industries.

B. E. Talbot.

Monkey Puzzle Cottage, Corseley Road, Groombridge, Nr. Tunbridge Wells, Kent.

Inflation accounting

From Mr. M. Gibbs.

Sir. — Professor Myddelton (June 11) says I am "illogical." It would, I agree, be illogical to take account of the effect of inflation on debtors and creditors while ignoring the effect on borrowed money. My point (June 9) was that one can consider the two questions independently. Increases in the cost of debtors and creditors, like increases in stock, lead to movements in cash and should be allowed for when calculating "operating profits." Since gains on borrowing can only be "realised" by increasing the money value of the borrowing they should, I believe, be shown separately. I would, however, add them to the operating profits to arrive at the best estimate of the "surplus available for distribution."

Mr. Nightingale of Hoare Govett (June 16) is concerned about my treatment of Barclays Bank and questions whether there is any justification for "an arbitary downwards adjustment in the profits of financial companies." I hope Mr. Nightingale will not mind my pointing out that his own company's accounts included a current purchasing power supplementary statement showing (inter alia) a £276,000 reduction in profits for the effects of inflation on the net monetary assets. The directors commented that, in this respect, the CPP method "gives an insight which current cost or replacement accounting on its own does not, particularly where financial businesses are concerned."

Martin Gibbs.

Phillips and Drew

Lee House, London Wall, E.C.2

To-day's Events

GENERAL

President of the French Republic and Madame Giscard d'Estaing continue State visit to U.K. with lunch at the Guildhall and banquet for the Queen at French Embassy.

Tripartite Conference of EEC Finance, Economic and Employment Ministers, employers and trade unions, Luxembourg.

Rotherham by-election (result expected at midnight).

Confederation of British Industry Europe committee meets.

Conference on worker participation organised by the Directorate of the Approximation of Law Commission of the European Communities, Birmingham.

PARLIAMENTARY BUSINESS

House of Commons: Supplementary Benefit (Amendment) Bill, second reading. Public Lending Right Bill, second reading.

Commons Select Committees: Science and Technology (Science Sub-committee). Subject: Industry and scientific research. Witnesses: Cranfield Institute of Technology, Bedford. Race Relations and Immigration. Subject: The West Indian community. Witnesses: Association of Chief Police Officers and Post Conference Constituent Committee.

House of Lords: Theatres Trust Bill, committee. Congenital Disabilities (Civil Liability) Bill, committee. Agriculture (Miscellaneous Provisions) Bill, report. Debate on immigration.

COMPANY RESULTS

Associated Television Corporation (full year). S. and W. Berisford (half-year). B. Elliott (full year). J. Lyons (full year). Racal Electronics (full year).

COMPANY MEETINGS

Anglo-Portuguese Bank, 7, Bishopsgate, EC, 12. Crane Fruehauf, Connaught Rooms, WC, 12. De Vere Hotels and Restaurants, Connaught Rooms, WC, 12. Edinburgh Industrial Holdings, Connaught Rooms, WC, 12. Embankment Trust, 21, Moorfields, EC, 12.15. Flight Refuelling, 9, Little Trinity Lane, EC, 12. Folkes (John) Hefo, Birmingham, 12. General Scottish Trust, Edinburgh, 11.30. Globe Investment Trust, Electra House, Victoria Embankment, WC, 12.15. Hoveringham Group, Hoveringham, Nottingham, 12. Hunting Associated Industries, 118-127, Park Lane, W, 12.30. Leud Industries, 14, Gresham Street, EC, 12. Mallinson (William) and Denny Mott, 130, Hackney Road, E, 12. Morgan Crucible, St. Ermin's Hotel, SW, 11.15. Pork Farms, Nottingham, 12. Reed (Austin), 16, Sackville Street, W, 12. Slingsby (H. C.), 100, Old Broad Street, EC, 10.30. Sphere Investment Trust, Winchester House, EC, 12. Steel Bros., Dorking, 12. Tronoh Mines, 7, Rolls Buildings, Fetter Lane, EC, 12. Turriff Corporation, Warwick, 12. Wettern Bros., Croydon, 10.30.

COMPANY NEWS + COMMENT

Recovery to £2.17m. for M K Electric

AFTER being up from £0.58m. to £0.66m. in the first half, pre-tax profit of MK Electric Holdings has recovered to the 1971-72 near record level, with a figure of £2.17m. for the year to March 31, 1976, compared with £0.68m.

Excluding the extraordinary credit in 1974-75, earnings per 25p share are shown to be up from 2.63p to 8.72p. Dividend total is 4.72p net, against 2p, with a 3.22p final.

The directors say that on a CCA basis, the pre-tax profit is £1.41m. despite substantial additional costs.

Net liquid funds at year-end increased by £5.1m., mainly from a reduction in stock levels and higher trading profit. This has eliminated the bank overdraft of £3.8m. at March 30, 1975, and has produced a bank balance of £1.3m. at March 27, 1976.

	1975-76 £000	1974-75 £000
Turnover	23,314	21,586
Trading profit	2,474	1,054
Interest paid	303	409
Profit before tax	2,171	675
Taxation	1,122	356
Net profit	1,049	319
Extraordinary credit	—	108
Dividends	567	241
Retained	482	186

● comment

With pre-tax profits more than trebled, M. K. Electric's recovery is better than expected, especially since it has coincided with declining sales volume (turnover was up by only 8 per cent.). The three key factors have been a rapid rundown in stock levels (the bottom has now been reached), a sharp reduction in interest charges and a marked improvement in profit margins following stringent internal economies. As a result the £3.8m. overdraft has been paid off and the balance sheet is in much healthier shape than it was twelve months ago.

In the coming year volume could rise by about 10 per cent. helped by a recovery in house building (new house completions rose 21 per cent. in March) and pre-tax profits could top the £3m. mark. The shares rose 3p to 78p on the results and now yield 9.3 per cent. on a P/E ratio of 8.9. So the management still has to live down its mistake of expanding production capacity at the wrong point in the last building cycle.

INDEX TO COMPANY HIGHLIGHTS

VAVASSEUR GRP.

The J. H. Vavasseur Group is not paying dividends on its 7.7 per cent. Redeemable Cumulative Preference shares, nor on the 38.86 per cent. Redeemable Cumulative First Preference shares 1981, both due June 30.

F. H. Lloyd turns in £4m.

In line with the rights issue forecast of "not less than £3.9m.," pre-tax profit of F. H. Lloyd Holdings was £4m. for the 53 weeks ended April 3, 1976, compared with £4.2m., after £1.74m. (£1.82m.) in the first half.

The chairman, Mr. Leslie Carrier, says that a good start has been made in the current year although most companies are working on shorter order books. Contrary to many forecasts there is no positive sign of a permanent uplift in business but he is confident the company will have a successful year and at least maintain earnings per share on the increased capital.

	1975-76 £000	1974-75 £000
External sales	59,073	49,599
Engineering	15,734	12,546
Foundry	37,412	27,836
Steel	6,309	8,207
Trading profit	4,700	4,379
Engineering	1,054	967
Foundry	3,381	2,249
Steel	265	1,368
Redundancy payments	289	—
Other income	53	94
Interest	438	553
Share issue loss	57	115
Profit before tax	4,003	4,206
Tax	2,013	2,738
Net profit	1,990	1,865
Minorities	56	18
Leaving	1,934	1,847

Stated earnings are 10.1p per 25p share (9.8p) and, as forecast, the final dividend is 2.9032p net for a 4.3232p total (3.9675p)—new shares from the one-for-four rights do not rank.

● comment

F. H. Lloyd's pre-tax profits are rather better than the £3.9m. forecast last January and, excluding redundancy payments, are a fraction higher than last year's peak. This gave a 3p boost to the shares to 68p yesterday to yield 10.2 per cent. covered 2.3 times where the p/e is 7.5 adjusting for the rights proceeds. Although volume turnover a lower and the group is cautious about prospects for any real upturn in business in the current year, the foundry and heavy engineering divisions should be able to counteract the severe depression in the steel concerns, helped by strong demand for earth-moving equipment in the U.K. and the U.S. After the rights issue the group has a net cash position of around £2m., while a Government grant of nearly £1m. is expected for the £4.2m. foundry development programme.

Statement Page 22

G. Salter advances to £0.74m.

AGAINST THE hope of at least maintained profits, George Salter has pushed up its pre-tax figure from £581,075 to £736,219 for the year ended April 3, 1976. The halfway outcome was little changed.

Adjusting for a scrip issue, earnings are shown at 33.35p (26.88p) per £1 share and the final dividend is 3.23p net for an effective total of 3.9p (3.06p).

Turnover rose slightly, from £10.16m. to £10.95m. After tax £346,182 (£249,989) net profit came out at £392,037 (£311,086).

The company makes weighing machines, engineering components, and enamelled holloware.

Leyland Paint progress

ON TURNOVER up by 26 per cent. to £9.77m., Leyland Paint and Wallpapers made a pre-tax profit of £310,000 for the half year to April 3, 1976, compared with a loss of £68,000 last time. Profits for the year to September 27, 1975 were £424,000.

Basic first half earnings are shown at 2.5p and fully diluted at 2.3p. The directors say the profit improvements will continue during the rest of the year and have therefore declared an interim dividend of 0.8p net.

There was no payment for 1974-1975.

	Half-year 1975-76 £000	Half-year 1974-75 £000	Year 1974-75 £000
Group turnover	9,772	7,756	16,712
U.K.	8,211	6,792	14,693
Overseas	1,560	954	2,019
Trading profit	520	175	831
Share associates	29	19	38
Interest payable	239	262	417
Profit before tax	310	*68	424
Tax	141	10	[illegible]
Extraord. credits	35	—	[illegible]
Making profit	204	*78	133

* Loss. † Net profits on sale of property £71,000, less net loss on disposal of plant and machinery £16,000.

● comment

Leyland Paint's recovery trend appears to be continuing in the current year. Profits for the first six months are down on the second half of last year, but the group reckons that this is entirely attributable to the seasonal nature of the decorative paint and wallpaper business. Traditionally, the second six months of the year produces two-thirds of annual profits and if this pattern is repeated in 1975-76 the group should bring its full year profits near to the £960,000 pre-tax achieved in 1973-74. Sales volume is apparently moving ahead, against the industry trend. But the market has always regarded this company as a minnow in a pool of whales (its main rivals are ICI, Berger Jenson and Reed International) and given that the group's gearing is still on the high side, even after the recent injection of £1.5m. from County Bank, this attitude seems unlikely to change. At the end of 1974-75 the debt equity ratio was 171 per cent. At 34p the group is capitalised at under £2m.

Grant (East) upsurge—now losing ground

Edinburgh-based James Grant and Co. (East), retail distributors operating department and furnishing stores, reports profits before tax up from £283,814 to £825,231 for the year ended January 31, 1976.

But in the first quarter of the current year profits are substantially behind those of the corresponding 1975 quarter, the directors disclose.

For 1975-76 earnings were 15p (7p) per 25p privately held Ordinary share. The dividend is unchanged at 3½ per cent., the final being 1¾ per cent.

	1975-76 £	1974-75 £
Turnover	11,728,900	11,053,800
Interest paid	293,685	368,797
Profit before tax	625,391	283,814
Taxation	338,388	136,152
Net profit	287,003	147,662
Extraord credits	60,350	295,744

Continuous Stationery off £0.34m.

SECOND HALF profits of Continuous Stationery (which supplies the computer industry) have not reached expectations, amounting to £37,310. This gives a total of £94,696 for the year ended March 31, 1976, compared with £438,913.

Earnings per 10p share have fallen from 8.2p to 1.98p, but the dividend is held at 2.11p net with a final of 1.41p.

The directors state that the current year has begun comparatively satisfactorily, although they have still to see the long awaited evidence of a strong upward movement in U.K. trade. Against so uncertain an economic background they cannot reasonably give a forecast, although since March, 1976, there has been a marked increase in orders.

	1975-76 £	1974-75 £
Turnover	1,917,518	2,192,843
Profit before tax	94,696	438,913
Corporation tax	45,269	233,951
Net profit	49,437	204,962
Dividends	52,730	52,730

The report and accounts will be posted on July 30 and the meeting held on August 24.

Improvement at John Crowther

The chairman of the John Crowther Group of woollen textile makers, Mr. J. Hyam, says in his annual report that after a depressed beginning to the current year, there has been an improvement in sentiment in the last two months, reflected in the group's order book and in increased capacity.

Nevertheless, the group has substantial under-used capacity to take advantage of any further upturn. The value of goods delivered and on order is approximately the same as the same period last year, he says.

As reported on May 29, the group incurred a loss of £330,363 for 1975 compared with a £245,125 profit previously. The dividend is 0.337p (0.488p).

The group has largely eliminated its trading losses due to improved productivity and more efficient use of resources, the chairman says. He is hoping the group will return to profitability in the latter half of the year.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allen, Balfour	2.74†	—	2.26	3.94	3.46
Anglia TV ......int.	3.36(b)	—	2.09	—	6.8
Ashdown Trust ......int.	1	Aug. 3	0.93	—	3.03
Carliol Inv. ......int.	1(b)	Aug. 31	0.7	—	2.75
Continuous Stationery	1.41	Aug. 25	1.41	2.11	2.11
Irish Distillers ......int.	0.73	Aug. 24	0.7	—	3.25(a)
Leyland Paint ......int.	0.8	Sept. 1	Nil	—	Nil
F. H. Lloyd	2.99	Aug. 16	2.72	4.32	3.97
Lofs	2.08	—	3.22	2.08	3.22
Lookers ......int.	0.83	Sept. 30	0.75	—	2
Mallt ......int.	0.5	Aug. 31	0.35	—	0.75
M.K. Electric	3.22	—	2	4.72	2
Narborough Rubber ...int.	1.5(a)	July 20	0.5	—	1.9
Tesco	0.75	July 31	0.68	1.33	1.22
Tridant Group	1.72	—	1.57	2.99	2.76
Tyneside Trust ......int.	1(b)	Sept. 30	0.7	—	2.75

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross. (b) Increase to reduce disparity.

Confidence at Parkland Textile

Mr. J. Hanson, chairman of Parkland Textile (Holdings) feels he can be confident that the group will show a reasonable profit in the first six months of the current year "provided that nothing untoward happens."

This is based on the fact that the order books are full, plants are running to capacity and that while margins are being severely restricted, the group is making profits.

As reported on June 2, pre-tax profits for the year ended February 27, 1976 were down from £144,585 to £32,564 before tax of £52,020 (£81,161). The dividend is a single 0.833125p (1.7325p total).

The group exported 26 per cent. of its turnover last year and there were substantial indirect exports. Directors are making a determined effort to increase the share of the export market.

Meeting, Leeds, July 15 at 12.30 p.m.

Grampian Television prospects

Confidence in the future is expressed by the chairman of Grampian Television, Mr. I. M. Tennant.

The development of North Sea oil bringing greater wealth, a growing population and other factors underlines the need for a regional television company which is indigenous to the area, he says.

As reported on May 21, pre-tax profits for the year ended February 29, 1976, were £138,785 compared with a loss of £28,589 previously. The dividend is 1.625p (nil).

Advertising revenue topped £2m. for the first time, rising by 24 per cent. TV Times did well and copyright fees from this source rose by some £200,000.

The results were achieved partly by the sales improvement and by a significant reduction in the rate at which programmes were purchased.

The trading subsidiary, Campbell and Sellar, was sold on March 1, this year. Rents from the let of retained properties together with interest on cash from the sale will give a positive swing of some £35,000 in group pre-tax profit in the current year, the chairman says.

Technical problems delayed the opening of the transmitter on Lewis, but it should be operational in the near future. Other transmitters are expected soon in Perthshire, Fife, Ross-shire and Shetland.

Meeting, Aberdeen, July 15 at 12.15 p.m.

ISSUE NEWS AND COMMENT

Vernon Fashion 1-for-1 rights

Vernon Fashion Group is raising £378,000 by way of a one-for-one rights issue at 20p per 10p share. Also Vernon announces pre-tax profits for the year ended January 31, 1976, of £456,935 (£365,909) on sales of £6.24m. against £4.29m.

The rights proceeds will initially be applied in the reduction of short term debt, but will also enable the company to continue its expansion by opening larger retail outlets.

The directors declare a total dividend for the year ended last January of 2.5916p per share, and in the absence of unforeseen circumstances they intend to pay a dividend of 2.74625p per share for the current year.

The directors of the company and their families are entitled to subscribe for 1,262,715 new shares. The company's brokers, Hedderwick Stirling Brumbar, has agreed to purchase and place with institutional investors 654,528 of these shares and the entitlement of another substantial shareholding totalling 701,828 shares at a premium of 12p per share. The directors and their families will subscribe for the balance. The issue is not underwritten.

Although it is too early to forecast for this year the directors are able to report that sales are running 20 per cent. higher than the same period last year.

The issue and placing are conditional upon shareholders consent to the necessary increase in share capital at an EGM to be held July 16.

Close Brothers have advised on the issue.

● comment

Judging by Vernon's balance sheet, where net borrowings are only £232,000 against shareholders' funds of £593,750, ex-goodwill, the company has no urgent need for a capital injection at this time. However, the intention is to step up the pace of new openings. Aiming at the youth market, Vernon has managed considerable volume growth—sales value last year was up by 45 per cent.—despite the general depression in high street spending. So Vernon aims to expand to take advantage of the current buying trends. A wide discount on the rights price means a sharp increase in the prospective yield which comes out at 15 per cent. on a current price of [illegible] and there should be little difficulty in gaining substantial subscriptions.

Statement Page 25

UNICORN

Unicorn Industries announces that holders of £1,028,909 [illegible] per cent. Convertible Unsecured Loan stock have converted the stock into 939,643 Ordinary shares of 25p each. This was the [illegible] conversion so the remaining £378,229 becomes 10 per cent. Unsecured Loan stock 1989-94.

Lower first half for Lookers

PRE-TAX profit of £0.26m., compared with £0.31m., is announced by Lookers for the half-year to March 31, 1976, and it is explained that the depressed result is because of action taken to comply with the requirements of the Price Commission.

Turnover, up from £11.15m. to £13.31m., would have been higher, say the directors, but for the shortage in supply of vehicles from Leyland Cars and the serious disruption at Chrysler.

The improvement in turnover has continued into the second half and they anticipate that year-end results will be "satisfactory" and justify an increase in the final dividend.

For the interim, payment is 0.825p net (0.75p)—last year's total was 2p from profits of £520,000 after charging £250,000 estimated provision for excess profits.

	Half year 1975-76 £	Half year 1974-75 £
Turnover	13,307,877	11,150,446
Profit before tax	264,555	311,660
Taxation	137,560	161,950
Net profits	126,996	149,490
Extraord. debits	301	100,420*
Attributable	126,484	249,920
Interim dividend	31,330	42,953
Waivers	1,369	—

* Credit.

Referring to the requirements of the Price Commission, the directors say that the company is now operating within the limits laid down and continues to endeavour to meet its requirements.

During the half-year there has been a change in the basis of calculating depreciation. Charges are now based on the original cost whereas formerly the written-down value was used—as a result an additional charge has been made of £31,534.

● comment

Despite a sales increase of 19 per cent., the pre-tax profits of Lookers are down 15 per cent. at the half-way stage. In common with other motor distributors, the company has come up against the Price Code; it is only allowed to climb back to previous levels of profitability by increasing turnover. However, turnover is limited by the shortage of vehicles from Leyland Cars, its main supplier. If the final dividend is increased in line with the interim, as planned, then the prospective yield on the current price of 23½p is 14.9 per cent. compared with an average for garages and distributors of about 9 per cent.

Trident Printers setback

AFTER FALLING from [illegible] to £288,600 in the first half, profits of Trident Group Printers finished the year to March 31, 1976, down from £775,597 to £482,623, subject to tax of £234,910 against [illegible]. Turnover rose from [illegible] to £8.32m.

Earnings are shown to be down from 8.54p to 5.49p per 25p share before extraordinary credits of £137,841 (nil). The dividend total is lifted from 2.75648p to 2.9903p with a final payment of 1.7220p.

Grand Union expansion

Grand Union Company, a part of Cavenham, plans to spend $150m. up to 1981 for expansion and renovation of its supermarket division.

Plans include the opening of over 100 large supermarkets representing a net increase of 25 per cent. in store selling space. Grand Union will also continue its current store renovation programme.

Grand Union's profit trend is moving upward with further improvement expected, particularly from the supermarket division.

Air charter agreement

A CONSORTIUM of advance booking charter operators yesterday announced a £500,000 programme of Atlantic charter flights in conjunction with British Caledonian Airways.

The consortium, United North Atlantic Charter Organisers, said that talks were also taking place with the airline for a 50,000-seat charter flight programme for summer next year, estimated to be worth up to £8m.

هكذا من الأصل

Tesco improves to peak £25m.

THE MATERIALLY higher pre-tax profit forecast for the second half at Tesco Stores (Holdings) turns out to be £15.67m., compared with £14.89m., raising the outcome for the 53 weeks ended February 28, 1976 from £23.25m. to a record £25.05m.

And Mr. Leslie Porter, chairman, reports that in the current period turnover is benefiting from the substantial increase in net sales area achieved from openings in the year just ended. Non-food sales are "particularly encouraging."

Furthermore, the stores opened in 1975/76 will now be contributing to profits despite trading continuing to be highly competitive. He is confident of the "the continued success of the company."

Earnings per 5p share for 1975/6 are shown to be up from 3.42p to 3.68p—dividend total is the maximum permitted 1.3266p net (1.222p) with a final of 0.7516p.

	1975-76	1974-75
Sales*	617,844	500,789
Trading profit	29,296	27,717
Interest	2,369	1,634
Depreciation	6,812	6,108
Profit before tax	25,052	23,248
Tax	13,412	12,621
Net profit	11,640	10,627
Surplus on prop. sale	64	274
Extraordinary credit	168	878
Dividends	4,195	3,842
Retained	7,697	7,936

*Includes VAT £17.79m. (£13.48m.).

In the market conditions prevailing, the directors adopted the policy of improving market share by aggressive retailing even though it meant a reduction in gross margins. Although Government price control legislation caused extraneous cost and inconvenience in producing information for the Price Commission, it now has no bearing on gross margins which are influenced by competition.

Several new stores were opened in the second half which helped to improve turnover. In accordance with the policy of writing off non-recurring costs in the first year, they actually reduced the overall profitability of the group.

The store development programme was on schedule and 600,000 square feet was added to selling area during the year, increasing the total net sales area to just over 5m. square feet, of which about 1.9m. square feet related to non-food.

A major part of the programme was not completed until the second half when 400,000 square feet of sales area was opened. The company's first hypermarket at Irlam of 73,500 square feet and the superstore at Braintree of 80,300 square feet were not opened until the final fortnight of the financial year.

In view of the changing nature of the retailing operation, particularly with the opening of very large branches, the directors have considered it prudent to reassess the basis upon which depreciation is provided on plant, fixtures, fittings and equipment. The net result has been to increase depreciation charge by £366,000 which is taken in full in the second half trading results.

The new store development programme is on target, says the chairman. Planning consent has already been obtained to increase net sales area during the next two years by more than 900,000 square feet. There are some delays in further planning consents, and the company is currently discussing the future positive development of superstores and hypermarkets throughout the U.K. with central and local Government.

See Lex

Allen Balfour is well up to forecast

INCLUDING a full year's contribution of £650,000 from Balfour Darwins, profits before tax of the Edgar Allen Balfour group increased from £2.17m. to £3.34m. in the year ended March 27, 1976.

The year's profit is in line with the £3.2m. forecast, made at the time of rights issue in February. The final dividend is the expected 2.7364p on increased capital making a total of 3.9364p compared with 3.4387p previously. Stated earnings per 25p share are 10.1p (10.7p).

The original Edgar Allen units made pre tax profit £2.69m. against £2.16m.). A major reorganisation of Balfour Darwins U.K. operations has been completed and a second half profit of £173,000 reduced the first-half loss of £278,000 to £105,000 and with U.K. currency gains of £235,000, a final pre-tax profit of £130,000 was made.

Balfour Darwins Overseas subsidiaries made a pre-tax profit of £408,000—including currency gains £73,000—the results being adversely affected by the then poor state of the Australian economy.

Additionally the group's share of Balfour Darwins overseas associates profit amounted to £114,000 pre-tax.

	1975-76	1974-75
Turnover	51,584	25,736
Operating profit	4,422	2,828
Interest	1,274	677
Associates share	1.3	—
Profit before tax	3,346	2,185
Tax	1,653	1,101
Net profit	1,656	1,084
Minorities	23	—
Preference dividends	16	16
Attributable to ordinary	1,617	1,048
Extraordinary credits	163	44
Ordinary dividends	718	410
To reserves	1,063	632

U. K. engineering contributed £22.8m. to turnover and £1.01m. to profit and steel foundry and forging, £23.34m. and £2.24m. Australian subsidiaries contributed £9.26m. and £241,000, Canada, £936,000 and £102,000, Rhodesia, £862,000 and £151,000 and others, £177,000 and £10,000 loss.

Inter-company sales were £5.31m. Expenses and interest in the U.K. took £383,000, debenture interest, £122,000, holding company expenses, £346,000 and currency gains, £235,000. Currency gains by overseas subsidiaries totalled £82,000.

The directors say the group has good stock levels and is well financed to take full advantage of the increased business which will come when the U.K. economy strengthens.

The new year has started with a strong balance-sheet showing total net borrowings of 32 per cent. of shareholders funds. The group has unused borrowing facilities in excess of £9m.

A major investment programme has been started, extending over two or three years and involving probable capital expenditure around £8m. The value of goods exported was £10.85m. of which £8.85m. were direct exports.

U.K. order books at May 22 were £18.6m. (£20m. six months ago) but during the past three months, order books generally have ceased to decline and there are more recent signs of an upturn in special steels.

Additionally, new export orders are being finalised in certain sectors of engineering activities, the directors say.

● comment

Allen Balfour's profits rose from £1.40m. to £1.94m. pre-tax over the two halves of 1975-76, and the original interests are not quite a quarter ahead. But that still leaves earnings heavily diluted—10.1p compares with 11.3p a share for Allen in 1974-75—and with the demand background staying flat it begins to look as though further dilution will ensue this year. After all, the rights has taken the equity base up by a third. Above the line Allen Balfour reckons it can keep profits moving upwards. The group labour force was cut by 11 per cent. last year, Balfour is out of the red, Allen itself has some very useful export cushions and there is plenty of scope for recovery in Australia where sales last year represented almost a tenth of the group total. Meanwhile, the balance-sheet is looking very comfortable with net debt down to a third of net worth and a large slap of it switched long term; and at 74p the shares yield 8.8 per cent., covered 2.6 times.

Barr Wallace sees similar outcome

From information currently available, the result for 1976 at Barr and Wallace Arnold Trust will not be significantly different from 1975, states Mr. J. M. Barr, chairman.

On May 12 it was reported that pre-tax profit for 1975 rose from £0.3m. to £0.91m., a record. The chairman says the main factors contributing were the elimination of losses on Inclusive Air Holidays Abroad, buoyant trading in British and Continental Coach Tour operations, consolidation and development of the motor division interests and continuing progress at Data Sciences International.

On a CPP basis pre-tax profit was £1.21m.; on a CCA basis about £1.2m.

Dividends for the year amount to 3.025p net (2.75p).

During 1975 three comparatively new ventures either converted previous year losses into good profits or increased modest results into more substantial figures.

Meeting, Leeds, July 9, noon.

Anglia TV up £0.4m. so far

REPORTING A jump from £0.55m. to £0.95m. in pre-tax profits for the six months to April 30, 1976, the directors of Anglia Television Group say they consider the results satisfactory and prospects for the full year are encouraging. Profits for the year to October 1975 were £1.47m.

After tax of £505,000 against £286,400 and minorities of £7,029 (£4,184), earnings are shown to be up from 5.55p to 9.93p per 25p share. There is an extraordinary surplus of £176,000 (£114,974) on the sale of an investment.

To reduce disparity with the final, the interim dividend is lifted from 2.09375p to 3.36363p net costing £148,000 (£92,125) last year's final was 4.705p.

● comment

A recovery in advertising revenue has pushed up pre-tax profits in Anglia's interim figures by 73 per cent. even after a levy deduction on the new "profits basis" up by over £½m. Advertising revenue remains very buoyant; the May IBA advertising figure was 63 per cent. higher (admittedly against a depressed period) and the prospects are for a continuance of a strong trend, so Anglia could be on its way to over £2m. pre-tax. Overseas sales of wildlife programmes—"Survival" being the most famous—are increasing and these are not subject to the levy. So overall Anglia looks reasonably attractive as a straight TV contractor with a prospective yield of 10.6 per cent. and p/e of only 5 at 112p.

Bishopsgate Prop. in profit at halfway

The directors of Bishopsgate Property and General Investments expect to maintain in the current year some improvement over the previous year, but after charging extraordinary items, they say there is likely to be an overall loss for the 12 months ending June 30, 1976.

For the first half pre-tax revenue was £55,020, compared with a loss of £412,832 after share of associates £15,812 (£464,410 loss). Extraordinary debits amount to £254,517 (nil).

There is again no interim dividend—no final was paid last year either but dividends totalled 3.5p net in 1973-74.

Net asset value is 85p (89p).

	First half 1975 £	1974 £
Group income	[illegible]	[illegible]
Interest etc.	397,177	[illegible]
Pre-tax revenue	55,020	*412,832
Tax	36,561	44,969
Net profit	18,539	*367,863
Extraord. debits	254,517	—
a Includes share assoc.	£15,812	(£464,410

loss). * Loss.

Director leaves F. J. Wallis

The buying director of F. J. Wallis, Mr. G. A. F. Heley, has resigned from the company. The resignation, received "with regret" by the Board, takes immediate effect. Pending any resultant reorganisation the chairman, Mr. D. R. Glynn, will assume control of the buying operations.

Mr. Heley has been a Board member for nine years and has served as a senior executive for 17. No reasons have been given for his departure: "he just tendered his resignation and we accepted it, that's all there is to it," commented Mr. A. G. Mills, managing director of Wallis.

Confidence at Normand Electrical

Order books at Normand Electrical Holdings are again beginning to expand and there is a sense of optimism among customers, reports Mr. J. W. Bowdage, chairman, in his annual statement.

A particularly flourishing section is the marine division which has been helped by the VAT reduction. Progress continues to be made overseas.

He has no doubt that the group will continue to prosper.

On July 1 it was reported that pre-tax profit for the year ended February 28, 1976 dropped from £0.79m. to £0.76m. Dividends are 3.1346p (2.3222p) net.

Due to a severe shortage of orders and cuts in output, profitability in the second half was badly reduced. During the year there was a successful rights issue, a major investment programme in the new Hastings factory was completed and ElectroPower Gears was acquired.

G. B. KENT

G. B. Kent and Sons is not paying a final participating dividend on the Preference or Ordinary shares for the year 1975.

U.K. ECONOMIC INDICATORS

	1976			1975	
General	June	May	Apr.	June	May
Unemployed ('000)	1,332.6	1,271.8	1,281.1	869.8	850.3
Unfilled vacancies ('000)	127.1	124.4	119.7	162.1	164.1
	May	Apr.	Mar.	May	Apr.
Currency reserves ($bn.)	5.423	4.848	5.905	6.491	7.132
Bank advances (£bn.)b	14.309	14.196	14.080	n.a.	n.a.
Basic materials (1970=100)d	290.7	285.1	273.8	226.2	222.9
Manfd. prods. (1970=100)d	214.6	211.4	208.5	187.3	182.5
Terms of trade (1970=100)	79.7	80.3	81.2	80.1	79.1
Wage rates (July, 1972=100)	209.3	208.0	206.7	173.4	169.1
Retail prices (Jan., 1974=100)	155.2	153.5	150.6	134.5	129.1
	Apr.	Mar.	Feb.	Apr.	Mar.
Retail sales val. (1970=100)**	195.3	188.3	189.6	184.4	166.3
HP debt (£m.)¶	2,323	2,297	2,296	2,290	2,265
Industrial output (1970=100)	102.1	101.1	101.6	101.3	103.2

	1976			1975	
Trade and Industry	May	Apr.	Jan.-May	May	Jan.-May
Cars ('000s)*	122	104	116	68	112
Commercial vehicles ('000s)**	32.4	29.8	31.5	30.0	35.0
Imports f.o.b. (£bn.)	2.356	2.210	2.095	1.693	1.738
Exports f.o.b. (£bn.)	2.014	1.948	1.881	1.612	1.517
Visible trade balance (£bn.)	−0.342	−0.263	−0.215	−0.810	−0.221
Steel, weekly average ('000 tonnes)	466.3	461.8	444.3	336.3	443.1
	Apr.	Mar.	Jan.-Apr.	Apr.	Jan.-Apr.
Houses completed ('000s)¶	25.5	28.7	25.3	25.2	23.6
Bricks (millions)*	461	493	454	633	521
Cement, weekly average ('000 tonnes)	297	330	291.3	327	314
TV sets ('000s)‡‡	168	205	180	263	239
Radios, radiograms ('000s)‡‡	217	248	331	479	387
Furniture (1970=100)†**	149	158	158	161	152
	Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
Hosiery (1970=100)**	81	90	86	89	92
Man-made fibres (m. kgs.)*	34.1	32.3	53.3	44.3	43.0
Petroleum (m. tonnes)†	8.005p	7.413	7.517	7.22	7.59
Electric cookers ('000s)f †	70.4	88.0	73.5	75.2	77.5
Washing machines ('000s)†	74.7	96.2	80.3	91.8	87.2
Raw cotton, weekly average ('000 metric tonnes)§	2.23	2.37	2.33	1.96	1.97
	Feb.	Jan.	Jan.-Feb.	Feb.	Jan.-Feb.
Machine tools (£m.)†	27.8	27.2	27.5	27.2	24.7
Raw wools (m. kilos)	9.6	10.0	9.8	9.1	9.0
Engineering, orders on hand (1970=100)**	96	97	96.5	122	123.5

	1976	1975			1974
	1st qtr.	4th qtr.	1st qtr.	Year	Year
Consumer spending (£bn., 1970 values)	8,870g	8,804	9,041	35,413	35,607
Motor trade turnover (1972=100)	165	133	137	142.2	119.2
Building and civil engineering (£bn.)c	3.018g	2.998	2.644	11.610	10.220

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historic figures on new basis not available. d Prices. f Including cooker griller toasters. c Value of output. ¶ United Kingdom not seasonally adjusted. g First preliminary estimate. p Provisional figures.

BIDS AND DEALS

Welfare goes ahead with Keith & Henderson offer

Welfare Insurance has sent out its offer document for Keith & Henderson, talks between the two sides having failed to produce a net asset value to form the basis for an agreed bid. Welfare is bidding 80p a share and already owns 32.12 per cent. of the property company.

A property valuation commissioned by Welfare from independent valuers J. Trevor & Sons says that the balance sheet valuations of the K. & H. properties are excessive for both its investment and development properties. In the case of the latter the pro-forma value is "significantly in excess" of open market value, states J. Trevor.

The valuers also state that in the case of eight development properties they were supplied with certain information but, apart from a housing development at Sevenoaks, Kent, not the precise addresses. They say they have "therefore relied on our opinion of the market conditions prevailing in the relevant areas."

Mr. Lewis G. Whyte, chairman of Welfare, states that in formulating its bid Welfare has taken account of the contingent liability to capital gains and other taxation arising upon a realisation of the properties and also of its willingness to accept early repayment of a £4m. loan to K. & H. at below £100 per cent. The loan bears a coupon of 9½ per cent. and is repayable in two instalments in 1982 and 1983.

Welfare, in which London and Manchester Assurance has a 51 per cent. stake and has agreed in principle to buy the remaining 49 per cent. from National Westminster, states that the effect of its view of K. & H.'s property is that no offer in excess of 80p can be justified.

K. & H.'s May 1975 balance sheet showed property worth £13.8m. Net asset value per share was shown as 121p. Since this, according to Welfare's offer document, £2m. worth of properties have been sold.

THI HAS 41% OF CLARK & FENN

With just over a week to go before acceptance day, Kleinwort Benson, on behalf of Trafalgar House Investments, has acquired a further 10,000 Ordinary shares in Clark and Fenn (Holdings) at 75p bringing total acceptances so far to 41.1 per cent. of the capital.

Clark and Fenn chairman Mr. Geoffrey Vandervell has written a further letter to shareholders urging them to reject THI's amended offer as "unattractive and a serious undervaluation of your company."

THI shares closed 1p higher last night at 97p, which on the share alternative, values each C and F share at 65p. there is a cash alternative of 75p on condition that THI achieves a majority of acceptances.

SUN LIFE

Sun Life Assurance has been informed that 250,000 Artagen Properties shares sold to it in the market last Friday were sold in error. Sun Life has accordingly released the owners from their bargains.

This reduces the number of Artagen shares previously stated to be committed to Sun Life—from acceptances, purchases, or its original stake in Artagen—by 0.4 per cent., the correct figure now being 44.27 per cent.

Sun Life was not thought to have made any further purchases yesterday, the Artagen share price remaining above the 80p bid price.

BRIDON GROUP

British Ropes, a subsidiary of Bridon, and Croxon and Dobbs of Dublin have formed a new company, known as Croxon and Dobbs (Engineering). British Ropes (through Bridon) will have a controlling interest.

The company is being formed to develop in the Republic of Ireland distribution activities in wire rope, fibre and synthetic ropes and lifting equipment with the ability to service the expected growth in the exploration and development in oil and natural gas off the Irish coast. The initial annual turnover is expected to be £250,000.

ASHBOURNE BID UNCONDITIONAL

Incentive Investments' offer for the Ordinary capital of Ashbourne Investments has been accepted in respect of 7,118,235 shares (80.97 per cent.). In addition, holders of £89,768 nominal of the 7 per cent. Convertible Unsecured Loan Stock lodged conversion notices and acceptances of the offer.

The offer has become unconditional and the proposals effective. The offer remains open.

It is anticipated that a listing for the 8½ per cent. Unsecured Loan Stock of Ashbourne will be granted by the Stock Exchange to-morrow and that dealings will commence next Monday.

Lord Mancroft, Mr. Norman Castle and Lord Fisher of Camden have been invited to join the Board of Ashbourne and Mr. E. Vandyk and Mr. L. Faust have resigned. Mr. B. Glazier and Mr. L. Faust have joined the Board of Incentive.

ARC SALE

Amey Roadstone Corporation has sold its entire equity interest in Kent-based electrical equipment subsidiary, Arcontrol, to Hornet Engineering of Sedgeberrow, Evesham, Worcestershire.

EMI deal with Columbia

BY ARTHUR SANDLES

EMI IS PAYING $23.5m. (around £13.3m.) in cash for the music publishing division of America's Columbia Pictures Industries. As a result EMI becomes the owner of 125,000 songs, by adding Columbia's 25,000 to its present list. Once the final contract is signed every time someone publicly performs Spanish Eyes, Jingle Bells or the theme from Born Free, EMI will benefit.

At the same time EMI has undertaken to part finance four Columbia pictures in the near future, an investment which is likely to involve several million pounds.

Last night EMI said it had "ample borrowing and funding arrangements" in the U.S. for the deals.

Sir John Read, chairman and chief executive of EMI, said yesterday that the present Columbia music publishing team of Mr. Lester Sill, president of the division, Mr. Irwin Robinson (vice president and general manager) and Mr. Irwin Schuster (vice-president, professional activities) would be retained.

Among the writers currently represented by the Columbia music companies are Carole King, Cat Stevens and Melissa Machester. Already in the catalogues are songs by Neil Sedaka, Burt Bacharach and Bert Kaempfert.

It is only during recent years that the value of music catalogues full of "standards" has been appreciated. EMI bought MGM's Affiliated Music Publishers in 1972 for £3.5m. and has obviously not regretted the move.

As far as Columbia is concerned the deal is good news in that it reduces current borrowing. After provision for deferred taxes around $15m. will be realised. "Thereby providing us with the financial flexibility we have been seeking these past three years, although the proceeds of the sale will be used initially to reduce our standing bank loans," said Mr. Alan J. Hirschfield, president and chief executive officer of Columbia.

SCAPA/HARDMAN

Documents in respect of the Scapa Group's agreed offer for the capital of Thomas Hardman and Sons not already owned have been sent out.

Hardman directors recommend the offer and will accept in respect of their holdings of 73,350 Ordinary and 1,850 Preference shares.

Pre-tax profit of Hardman for the year to March 31, 1976, is estimated at £38,000 (£74,387).

CIRO HOLDINGS

Howard and Wyndham announces that acceptances received in respect of their offer for Ciro Holdings amounted to 4,165,197 Ordinary and 130,031 Preference shares, bringing total holding up to 6,415,997 Ordinary (96 per cent.) and 147,031 Preference shares (98 per cent.).

The offer is now closed, and H. and W. intends to compulsorily acquire the outstanding balance.

SIME DARBY

Sime Darby Holdings is disposing of its joint interest in Tractors International to a wholly owned subsidiary for some Malayan $7.2m.

SHARE STAKES

Amalgamated Metal Corpn. has been informed by Patino NV that it has acquired a further 15,000 Ordinary shares to raise total holding to 3,262,610 (51.01 per cent.).

J. Bibby and Sons has been informed by Tiger Oats and National Milling that it has purchased a further 25,000 Ordinary shares making total interest 2,388,150 shares (28.41 per cent.).

Favourable outlook at T. Locker

Trading will continue to be difficult in some areas of Thomas Locker (Holdings) says the chairman Mr. J. R. Locker. However, order books are reasonable and, if the improvement in economic conditions can be sustained, the outlook is favourable.

The second half of 1975-76 showed an improvement over the first and there are signs in certain areas that this improvement can be sustained, he tells members.

As reported on June 11, pre-tax profits fell from £1.8m. to £1.5m. in the year to March 31 after a forecast of just less than £1.37m. The dividend is 0.705p (0.6475p) net.

The most significant factor affecting the result was the performance of the Australian company which shows a drop of more than £400,000 profit from the previous year's record. Mr. Locker has every confidence that the investments in Australia are sound, but the return to a more acceptable level of trading is taking longer than expected, he reports.

Meeting, Warrington, on July 15 at 11 a.m.

Heavitree profit down at halfway

Profits of Exeter-based Heavitree Brewery fell from £118,987 to £98,246 in the half year ended April 30, 1976, before tax of £51,087 (£61,873).

The net interim dividend is again 2.275p—the total in 1974-75 was 13.514p from pre-tax profits of £379,732.

First half turnover amounted to £1.09m. against £0.95m.

The share of an associate's loss, not included in the profit, was £12,999 (£15,428).

BRADFORD PROP.

Attributable profit of Bradford Property Trust was £1,694,799 in the year ended April 5, 1976, after tax of £1,625,768. In yesterday's report the tax was inadvertently given as £1,035,768.

MINING NEWS

More hope for Norwich Park

BY KENNETH MARSTON, MINING EDITOR

PROSPECTS OF a go-ahead for the proposed $240m. (£166.5m.) Norwich Park coal venture in Queensland have improved considerably because of export concessions from the State Government, reports our Sydney correspondent. Norwich Park is 85 per cent.-owned by the U.S. Utah group and 15 per cent. by Japan's Mitsubishi, which already operate three coal mines, Goonyella, Peak Downs and Saraji, in Queensland.

Under existing state legislation, Utah and Mitsubishi could only export a total of 300m. tonnes of coal. This would have included Norwich Park. Utah and Mitsubishi, however, claimed that they could meet the 300m. tonne limit from their existing mines and would not go ahead unless the limit was increased to 600m. tonnes. Following a visit to Australia by three top Utah executives, the State government has agreed to alter the limit.

The partners do not expect difficulties in satisfying the Australian equity ownership requirements and have held talks with interested partie which include Broken Hill Proprietary, CSR and Thiess. The major stumbling block remainings is the coal export levy of $6 (£4.16) per tonne imposed by the previous Australian government.

Of Australia's major coal producers, 19 have now lodged a submission with the Minister for National Resources, Mr. Douglas Anthony, seeking removal of the levy which they claim drains an average 26 per cent. of total operating income before tax and duty. In the case of smaller producers the effect is more pronounced.

The coal producers point out that up to $2bn. (£1.4bn.) is ready to be invested in new coal exports within five years. A major part of the finance would have to come from overseas sources, particularly Japan and the U.S. The levy would make lenders uncertain because cash flow for the proposed projects could no longer be assessed with confidence.

COMINCO DEFERS ARVIC MINE

Owing to the high risks of developing a mine in the Canadian high Arctic, aggravated by "the conditions for development as now indicated by the Federal Government," Mr. R. P. Douglas, president of Arvic Mines which is a 75 per cent.-owned subsidary of Canada's Cominco, says that development of the Polaris lead-zinc mine on Little Cornwallis Island is being deferred.

The Polaris deposit is estimated to contain 20m. tons of a good 20 per cent. average grade lead-zinc and will be maintained for possible future development. Cominco already operates a lead-zinc mine in Greenland, the Black Angel deposit which was brought to production in 1973, through its 61.5 per cent. owned subsidiary Vestgron Mines, in which the Northgate group holds a 14.3 per cent. interest.

SASKATCHEWAN POTASH DEAL

Following the news that the State Potash Corporation of Saskatchewan has entered into preliminary negotiations with Alwinsal Potash of Canada, America's Pennzoil has revealed that its operating subsidiary Duval Corporation, has received an offer from the Saskatchewan Government of around $130m. (£75.5m.) for its potash mine at Vade, near Saskatoon.

Our Montreal correspondent reports that Duval was understood to have set an asking price of $150m. (£87.8m.) on the operation which came to production in 1968 at a capital cost of around $75m. (£43.6m.) and has a capacity of over 700,000 tons annually. The Saskatchewan Government has not denied the reported $130m. take-over figure but says that the deal has not yet been finalised.

Inco's chrome venture in New Caledonia

CANADA'S Inco has reached agreement with the French Compagnie Miniere Dong-Trieu and Compagnie Financiere de Paris et des Pays-Bas groups for an exploration programme and feasibility study to be set in train at the closed-down chromite mine at Tiebaghi in New Caledonia. Inco will have a 55 per cent. stake in the venture with the French partners sharing the rest.

The exploration and feasibility study, which is expected to cost around $3m. (£1.69m.), will start towards the end of this year and take some two years to complete. Given a go-ahead decision, the property could be brought to production by 1980. It is understood that the French Government is satisfied with the arrangements.

The existing mine was closed in 1962 owing to poor market conditions and the emergence of substantial quantities of chromite from Russia. It produced good metallurgical quality ore grading better than 50 per cent. chromium oxide with a chrome-iron ratio approaching 3 to 1.

Inco's U.S. Huntington Alloy Products and the U.K. Henry Wiggin companies use substantial quantities of chromium in the manufacture of corrosion and heat-resisting nickel-based alloys.

British Celanese slumps

Profit before tax of British Celanese, a wholly-owned subsidiary of Courtaulds, fell sharply from £20.27m. to £4.48m. during the year ended March 31, 1976. Sales were £103.58m., against £109.3m.

	1975-76 £000	1974-75 £000
Sales	103,579	109,3[illegible]
Interest received	331	[illegible]
Interest paid	187	[illegible]
Share associates	3	[illegible]
Pre-tax profit	4,475	20,27
Tax credit	117	[illegible]
Minorities	71	[illegible]
Attributable	4,517	19,89
Retained	903	18,13

* Charge.

هكذا من الأصل

Grendon loan holders offered £40 cash

BY KEITH LEWIS

Holders of £6.9m. worth of 11 per cent. Unsecured Loan Stock, 1978-81, in Grendon Trust, the property, investment and manufacturing group which owns the Monotype Corporation, are being asked to accept £40 cash for every £100 nominal held under a proposal to redeem the stock. The alternative is the liquidation of Grendon which, according to calculations made by accountants Turquands Barton Mayhew, could leave loan stock holders with an amount in the region of £35 per £100. The valuation of the property portfolio was carried out on a forced sale basis.

The support of the loan stock holders, principally Morgan Grenfell on its own behalf and that of its clients and Robert Fleming on behalf of the liquidator of London Indemnity and General, has so far not been forthcoming after two months of deliberations. And there is no indication that support will be given, though it is known that the major loan stock holders are unhappy with the terms and various alternatives have been proposed and rejected.

Keiser Ullmann has a substantial commitment in Grendon, which is still technically owned by CST Investments, a private company which is being investigated by the Department of Trade. Keysers made loans of £17m. to CST Investments to finance the bid for Grendon in 1973, which have subsequently been written off. In July, 1974, Keysers converted £2m. of its lending into Preference shares and followed this up with a similar £2½m. conversion in April, 1975. The bank has also advanced substantial sums to Grendon to finance working capital requirements, including financing the loan stock interest, and losses to date.

Grendon Trusts' latest balance-sheet shows that the group has bank overdrafts and short term loans amounting to £4,671,876 and secured loans and mortgages of £7,493,656. In the financial year ended September 30, 1975, Grendon incurred a loss before tax and extraordinary items amounting to £3.2m., compared with a deficit of £4.03m. in the previous 18-month period.

Speaking at a Press conference yesterday, the chairman of Grendon, Mr. D. Donne, who is also chairman of Crest Nicholson, deputy chairman of Dalgety Group and is on the Board of Steetley, referred to changes within the group. "We have strengthened and rationalised the property portfolio—letting unlet properties and selling £11m. from an original portfolio of £22m." He said of Monotype Corporation, a wholly-owned subsidiary, that the previous management had "bled" nearly £3m. out of the company to support the property group, but added that it had been stablised and a new range of electronic products was about to be launched. He also said that the overheads of Grendon had been reduced from an overall rate of over £1m. to around £200,000.

Mr. Donne pointed out that if Grendon went into liquidation, the manufacturing interests—Monotype and the brickmaking interests—could disappear. He added that "this is a degree of uncertainty that no management and no workforce of 2,000 people should have to undergo—particularly when the direct causes were not of their making. Whoever is responsible by action or inaction for an act that causes this company to go into liquidation—and one should be careful not to infer blame on any single party—whether the providers of the redemption money for not providing enough, or the loan stock holders who for two months will not say whether they agree or not with the proposals, or even a past management at Monotype that allowed the situation to arise—whoever it is, he or they will be carrying a very heavy burden of responsibility."

The Stock Exchange has told the Board of Grendon that it is intended to restore the listing of the shares with effect from the first dealing day following the posting of the circular until the date of the extraordinary meeting agree the proposals on July 19.

See Lex

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	10½	9	Automated Sec. 10p	10	...	40.65	2.5	10.5	5.8
—	F.P.	—	£26¼	£21¼	Berry Pacific [illegible]	£26	−¼	[illegible]	—	6.5	—
$10,500	F.P.	—	$11,500	$9,500	Brasilinvest S.A.	[illegible]	..	—	—	—	—
—	F.P.	—	£26½	£23	Emhart Corp. US$1	£26½	−¼	$1.20	—	4.6	—
—	F.P.	—	31⅞	31	[illegible]	£31	−¼	US$1.32	—	2.8	—
97	F.P.	9/7	45	41	Wilson Walton 10p	42	...	5.16	2.1	11.9	6.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
£99	£50	25/8	49⅞	47½	Birmingham (City of) 15% Red. Stock 1983	49⅝	+⅛
US$100	F.P.	—	99¼	96½	IAC 9½% Notes 1981	$96½	...
US$100	Nil	—	$99¼	$99	Lloyds Eurofinance Float. Rt'ing N'ts 1983	$99	...
£98½	F.P.	25/7	99¾	98½	Newcastle & Gateshead 8% Red. Pref. 1981	98½	−⅛
US$100	Nil	—	101	100	Royal Bank of Scotland Floating Rate 1983	$101	...
US$100	F.P.	—	100½	99½	Sandvik 9½% Bonds 1986	$100	...
£99¾	F.P.	25/6	£98	£96½	Scottish Agric. Secs. 14% Deb. 1995	£96	...
[illegible]	F.P.	-/7	124	115	Sth. Met. [illegible] Conv. [illegible]	114	...
[illegible]	£10	30/7	10½	10¼	Sunderl'd and S.Shields Wtr 8% Red Pref 1981	10½	...

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Dates		1976 High	1976 Low	Stock	Closing Price p	+ or −
115	Nil	—	—	25	16	AAH	20pm	−2
L614	Nil	—	—	16	11	Bank of Montreal	11pm	+½
58	F.P.	18/6	6/8	71	64	Bejam Group	71	...
70	F.P.	1/6	9/7	104	98	Boddingtons	102	+2
55	F.P.	21/6	19/7	40	36	Booth (Intl.)	36	−2
14	F.P.	16/6	30/7	17½	14½	Cellite & Chemical	16½	..
28	Nil	—	—	4	2½	Downs Surgical	2½pm	−1
140p	Nil	29/6	28/7	30	20	Dundee-Combex-Marx	29pm	...
6p	Nil	25/6	16/7	1½	½	Elswick-Hopper	½pm	...
300	F.P.	27/5	2/7	423	390	Heath (C.E.)	403	−5
350	F.P.	10/6	2/7	379	353	I.C.L.	358	−5
47½	F.P.	—	—	65½	57	Lesney Products	58	+½
57	F.P.	3/6	30/7	71½	61	Lloyd (F.H.)	66	+2
185	F.P.	28/6	9/7	217	182	Lucas Inds.	217	−3
30	F.P.	11/6	2/7	38½	34½	Mallison (Wm.) & Denny Mott	35	...
120	F.P.	11/6	9/7	165	134	Portals	155pm	+3
21	F.P.	22/6	20/8	24	22¼	Press (William)	24	−½
47	F.P.	10/6	28/7	58½	49½	Ransome, Hoffman, Pollard	55½	−½
400	F.P.	21/5	25/6	492	440	Selection Trust	445	...
32	F.P.	16/6	23/7	36	32¼	Testel	54	...
45	F.P.	28/5	29/6	68	44	Tricentrol	54	−1
$A1.50	F.P.	18/6	—	125	85	Western Mining	125	−2
60	Nil	—	—	27	25	W.G.I.	27pm	+5
70c	P.Pd	—	—	51	47	Woodside-Burmah	46	+8

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. v Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ※ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ¶ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). ▸ Provisional or partly-paid allotment letters. § With warrants. ◆ After suspension.

Upholstery jobs lost

BRIDGE UPHOLSTERY at Long Eaton, Derbyshire, is to close next month, making 32 workers redundant. The company is part of PMA Group, which plans to centralise operations at the Leeds headquarters.

SPILLERS FARM FEEDS plant in Newcastle on Tyne is to close this autumn. About 100 workers will lose their jobs. Spillers said yesterday: "Serious financial losses have been made."

Steel plant passes test

THE WORKINGTON plant of British Steel in West Cumbria has been given a top rating for quality control by an independent Ministry of Defence assessment team.

British Steel plants throughout the U.K. are being assessed by the Ministry and Workington is the first to pass the test at the first attempt without any suggested improvements.

EMERGENCY ALUMINIUM SHIPMENTS

NIPPON LIGHT Metal Company is negotiating with Alcan Aluminium for arrangements for emergency shipments from its excess stocks to alleviate the impact of a strike at three Quebec smelters.

The Japanese smelter, 50 per cent. owned by Alcan, is studying the type and specifications Nippon Metal can meet for the Canadian company.

Alcan has asked for the emergency supply of about 15,000 tonnes of aluminium slab. Nippon Metal said it is ready to supply about 3,000 tonnes of slab a month for some months to come. Reuter

"Lofs" kept in profits by shipbuilding side

IN VIEW of the circumstances surrounding the pending nationalisation of Austin and Pickersgill, the directors of London and Overseas Freighters have presented two sets of figures covering the year to March 31, 1976.

Excluding A. and P., the group incurred a loss of £1.61m. against £6.01m. profit. The figures including the subsidiary show a profit of £2.12m. compared to £9.65m. in 1974-75.

Because of the £1.54m. trading loss sustained by Lofs on its shipowning activities and the continuing need to conserve resources until the economic climate enables the fleet to return to profitable trading, the Board has decided not to recommend a dividend out of the accumulated profits of previous years.

Nevertheless, recognising that shareholders should benefit as far as possible from profits earned by A. and P. during the year, it is recommended that a dividend of 2.06p should be paid. The cost of this distribution, including ACT payable, will be £1m. which equates to the maximum dividend that A. and P. is permitted to pay its parent company.

	Group 1975-76 £	1974-75 £
Shipowning loss	1,544,253	*4,675,942
Shipbuilding profit	3,465,001	1,425,224
Invest. income etc.	354,194	1,404,556
Realised losses	178,577	5,456
Surplus disposal vessel	21,457	150,240
Profit	2,219,816	9,450,864
Minorities	350,442	374,191
Associates losses	457,620	*50,452
Dividend	1,000,000	7,346,774
Surplus	35,021,895	32,177,961

By reason of capital allowances no corporation tax is payable by any group company in respect of profits for the year.

* Profit. On repayment of foreign currency loans

The group has Eurodollar borrowings aggregating $39.7m which are repayable at various intervals over the next decade, the directors say. If these loans were to have been repaid on the balance-sheet date at the rate of $1.913 to the pound, then ruling, the cost would have been £4.04m. more than the book figure.

At present the rate of exchange against the dollar is lower at $1.77 to the pound at which level the figure would be £5.7m.

Directors are of the opinion that it would be wrong to attempt to assess the potential loss (or profits), if any, which might arise over the period of the loans. Nor do they subscribe to the view, held by the company's auditors, that provision should be made out of profits for any possible losses which might arise in the future in this regard.

The Board considers that the increased cost of paying off loans may properly be regarded as increasing the capital cost of the vessels concerned, but have adopted the procedure of writing off losses on exchange actually incurred on loan repayments made during the year.

	1975-76 £	1974-75 £
	Excluding A & P	
Trading loss	1,544,253	*4,675,942
Investment inc. etc.	904,250	195,962
Dividend receivable	1,000,000	1,000,000
Realised losses	178,577	5,456
Surplus disposal vessel	21,457	150,240
Loss	1,605,899	*6,014,757
Minorities	350,442	374,191
Associates	457,620	*50,452
Attributable loss	1,673,077	*3,542,678
Dividend	1,000,000	7,346,134
Surplus	24,832,264	26,107,265

* Profit

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—S. and W. Berisford, Castlefield (Klang) Rubber, T. Cowie, Killinghall (Rubber) Development Syndicate, Pleasurama, Throgmorton Trust.

Finals—Anderson Strathclyde, Associated Television, F. Austin and Sons (London), Borthat Tea, British Steam Specialties, British Tar Products, Burtonwood Brewery (Forshaws), Celestion Industries, Comben Group, Continental and Industrial Trust, Godfrey Davis, B. Elliott, Graham Wood Steel, J. Lyons, Northern Securities, Racal Electronics, Renold, Pentos, Russel Bros. (Paddington), Shaw Carpets, Sheepbridge Engineering, Scot and Simpson Trustees Corporation, Unerman Holdings.

FUTURE DATES

Interims—	
Alexanders Discount	July 5
Bakers Household Stores (Leeds)	July 7
Whatlings	July 7
Finals—	
Benn Bros	June 25
Scaby Leslie	July 6

Crops advisory service set up by ICI

AN INDEPENDENT consultancy, International Crop Protection Consultants, has been set up by ICI's Plant Protection Division to advise the agricultural industries of the developing world.

The company says it has made the move because many developing countries, though anxious to expand their agriculture, are hampered through lack of expertise.

Some consultancy work was already being carried out by its Plant Protection Division following requests for assistance, not associated with ICI's range of crop protection products, received from a number of countries. The level of consultancy work, which has involved projects in Libya, Iran, Algeria and Colombia, has built up sufficiently to justify the establishment of a new subsidiary, ICI claims.

The new subsidiary, which will operate with a small permanent staff, will seek to give clients, many of which are likely to be government agencies abroad, advice and help without any need existing for these to be linked to ICI products or services.

Recovery at Irish Distillers

A SHARP recovery from £64,000 to £1.36m. in profits before tax is reported by the Irish Distillers Group for the half year ended March 31, 1976. Results last year were seriously affected by a 14-week strike.

The directors are expecting results for the second half to compare at least with those for the same period of 1975. In the year ended September 30, 1975, pre-tax profits had fallen from £2.61m. to £0.97m.

The net interim dividend is lifted from 0.7p to 0.73p and the Board hopes to recommend a final equal to the 2.25p gross of last year.

Stated earnings per 25p share, before extraordinary items are 3.62p (0.07p loss).

	Half year 1975-76 £000	1974-75 £000
Turnover	25,265	12,440
Profit	2,326	630
Interest	715	505
Depreciation	249	93
*Profit before tax	1,362	64
Tax	441	12
Net profit	921	52
Minorities	91	46
†Extraordinary credit	50	‡158
Attributable	590	§154

* Including share of associates. † Sale of obsolete plant. ‡ Debit. § Loss.

The directors say the results for the half year did not meet the plans set at the start of the year due largely to the further increase in excise duty on spirits imposed in last January's Budget, which resulted in a marked decline in sales in the domestic market for this first half year.

The Budgets of 1975 and 1976 over a period of 13 months increased the rate of excise duty by nearly 50 per cent. or the equivalent of an extra £1 per bottle of spirits.

Export news is more encouraging; sales increased in major markets over the period, and it is anticipated that this trend will continue.

COMPANY NEWS IN BRIEF

SIEMSSEN HUNTER—Results for 1975 reported April 22. Fixed assets £743,242 (£736,983). Net current assets £1.28m. (£1.27m.). Chairman says with overheads being contained, despite inflation, group profits expected to be higher in current year. Meeting, Great Eastern Hotel, E.C., July 14 at noon.

STANDARD FIREWORKS—Results year to March 31, 1976 already known. Fixed assets £402,962 (£396,029). Current assets £1,207,134 (£1,092,813), liabilities £[illegible] (£280,646). Meeting, Huddersfield, July 15, noon.

"THE TIMES" VENEER CO.—Results for 1975 reported June 4. Fixed assets, £405,670 (£400,214). Current assets £1.15m. (£1.04m.) and liabilities £0.85m. (£0.87m.). Company is "close." Meeting, Goodwin Road, Edmonton, N., July 8 at noon.

TRIPLEVEST—Value of net assets including investments at valuation at May 31, 1976, £26.76m. (£27.70m. at February 29, 1976). Debenture stock and income shares at par £14.5m. (same) leaving assets attributable to capital shares £12.26m. (£13.20m.) or 204.3p (218p) per capital share.

ALPINE HOLDINGS—Results for year ended January 26, 1976, reported June 14. Group fixed assets, £706,378 (£1.00m.). Net current assets £635,379 (£463,268). Chairman feels group's performance has been satisfactory in difficult period. In particular, financial base has been strengthened. Board remains more confident than ever of prospects and potential of group. Meeting, Alpine House, N.W., July 14 at noon.

J. N. NICHOLS (VIMTO) (makers of fruit compounds, cordials, etc.)—Results for year ended March 31, 1976, reported May 20. Fixed assets, £409,603 (£415,251). Net current assets, £566,900 (£424,762). Chairman looks forward to future with considerable confidence. Meeting, Manchester, July 8, at 11 a.m.

DUALVEST—Results for year ended March 31, 1976, with net asset values reported April 29. Investments, £9.46m. (£7.92m.). Net current assets, £281,186 (£293,078). Chairman is confident that net revenue available for income shareholders should increase this year. Meeting, 117, Old Broad Street, July 21, at noon.

PENTLAND INDUSTRIES—Results for 1975 reported June 2. Fixed assets, £375,856 (£33,961). Net current assets, £1m. (£0.96m.). Chairman has every hope that current year will be one of continued growth. Meeting, New Barnet, Herts, July 13, at noon.

EVANS AND OWEN (department store)—Turnover £252,001 (£212,242) for six months to September 30, 1975. Loss before tax £908 (profit £7,722). Tax nil (£4,500). Extraordinary items nil (credit £25,174).

KILLINGHALL TIN—Turnover £403,571 (£334,122) for half-year to March 31, 1976. Profit £113,022 (£232,490), after all charges including tax of £140,632 (£135,909).

LYDENBURG PLATINUM—Dividend received for half-year ended April 30, 1976 R261,000 (R36,000 and R373,000 for year ended October 31, 1975). Net deficit of other income less expenses R20,000 (R68,000 and R55,000 surplus). Dividends R202,000 (nil and R416,000). Income retained R59,000 (R40,000 deficit and R192,000 surplus). Earnings per share 1.51 cents (0.25c deficit and 4.24c surplus). Dividends 1.40c (nil and 2.90c). Income retained for year 1974-75 includes provision of R145,000 written back.

COUNTRY GENTLEMEN'S ASSOCIATION—Profit after tax of £50,962 included an extra-ordinary credit of £10,079 and was not struck before extra-ordinary debit as reported yesterday.

HONGKONG TIN—For half year ended March 31, 1976, group profit £5,611 (£3,427) after all charges including tax £4,691 (£3,921). No dividend (same).

BANDANGA HOLDINGS—Results for year to September 30, 1975, reported June 17, with comments on prospects. Fixed assets £477,459 (£464,823). Net current liabilities £62,141 (£154,225). Meeting, Isleworth, on July 15 at noon.

MALIT SECURITIES—Gross revenue £41,614 (£15,614) for six months to April 30, 1976. Expenses £14,905 (£3,986) and loan stock interest £9,258 (£1,104). Net revenue before tax £17,523 (£10,522). Tax £2,933 (£951). Earnings per 30p share 0.79p (0.53p). Asset value per share 21.30p (31.50p). Interim 0.30p net (0.35p and total 0.75p). Board points out that results are not truly comparable. Several approaches have been made with a view to merging the company. These inquiries are being pursued.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EEC CAR PROFITS

BMW profits may top a record DM100m

BY NICHOLAS COLCHESTER

BONN, June 23.

THE PROFITS of BMW, the West German motor car constructor, could this year top the DM100m mark for the first time. After a successful 1975 the company is on course for another large sales increase in the current year. Yet the management clearly senses that the boom in German domestic sales is fading and is therefore stressing controlled growth and cultivation of foreign markets.

The first five months brought

an increase in export deliveries of 60 per cent. and largely on the strength of this turnover passed the DM2bn. mark at the beginning of this week. The chairman, Eberhard von Kuenheim, predicted at a Press conference that sales for the whole year would be more than DM4bn. for the parent company and more than DM4.5bn. for the group. These figures would compare with DM3.2bn. and DM3.6bn. respectively in 1975

BMW's domestic deliveries were up by 2 per cent. in the first five months and the chairman said he expected dleiveries in Germany to total some 128,000 for the year—up from 120,500 in 1975. The big increase will come in export deliveries where a total of around 130,000 for the year is expected, against 106,000 last year. Deliveries should therefore outstrip the planned year's production of 250,000 units—up by 29,000 on the 1975 figure.

This expansion in sales is being accompanied by a rise in investments aimed at modernisation and expansion of manufacturing capacity. After spending DM167m. in 1975 the management plans to invest around DM300m. in each of the years 1976 and 1977. A capital increase is not ruled out.

Meanwhile, as announced yesterday, the company is raising Sw.Frs.100m. through a bond issue in order to finance an increase in its international activities, including possible manufacture overseas.

In 1975 the company's turnover increased by 30.8 per cent. to DM3.254bn., as a result of a 23 per cent. increase in car deliveries (plus 7 per cent. abroad, plus 41 per cent. at home). BMW's profit after tax rose 76 per cent. to DM74m. and the management is therefore proposing to increase the dividend from 14 per cent. to 18 per cent. The after tax return on sales was a rather thin 2.27 per cent. If the company maintained this return profits in 1976 would be DM91m. on the turnover forecast of DM4bn. Since sales should exceed this figure and since profitability should improve with increased use of capacity, a profit of DM100m. becomes a feasible possibility.

Sony accelerates its earnings recovery

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, June 23.

SONY CORPORATION'S consolidated after tax profits for the six months ending last April 30 were up 53 per cent. to ($49m.) from the same period of the previous year while its net sales rose by 14.4 per cent. to $736.7m.

These figures form part of an overall picture of very sharp recovery from the difficult period of 1974-75, which was reported to-day by the leading Japanese electronics manufacturer. Sony appears to have done particularly well with exports during the past six months (sales up 24 per cent. on a year ago) in contrast with a rather modest recovery in the Japanese market. Its star market has been the U.S.

The other characteristic that emerges clearly from the Sony report is that the company's second quarter figures were still better than those for the six months as a whole. After tax profits in the second quarter were more than double those of a year earlier at $25.26m. Net sales for the quarter were up 18 per cent. to $354.4m.

Sony is expressing strong confidence about the future of its VTR equipment, a field in which it can claim to have pioneered the development of a mass market. It says production of its Betamax model at the rate of 8,000 units a month is now being fully taken up and there are plans to step up production to 10,000 units in the near future. Sony also expresses unconcern about a cheaper Matsushita VTR model (priced at $700 against its $1,000 in the Japanese market). However it still declines to give separate figures on VTR sales, preferring to lump them in under the general heading "audio equipment and VTR." Asked for separate VTR figures a Sony spokesman said to-day "we would appreciate your patience for an other six months or so."

The outlook for the colour TV market presented by Sony for the coming year is that there will be a total world off take of about 22m. sets, of which some 8m. will be sold in the U.S., 6m. in Japan and 7m. in Europe and elsewhere. Japanese production is put at about 9.7m. sets, of which some 3.9m. will go for export. Sony puts its output this year at about 1.9m. sets or some 8 per cent. of the world market but it is emphasised that by no means all of these will be produced in Japan.

Asked how its TV sales in Japan compared with those of Hitachi and Matsushita (the two other top makers) Sony says it is "not specialy concerned" about the position in Japan. It views the colour TV market from a global point of view it says, and is ready to shift the emphasis on operations between its various overseas factories according to market and other factors. Soney says. It is expected to gain about a 7 per cent. share of the U.S. colour TV market this year compared with 3.3 per cent. in 1972.

The improvement in Sony's operating position from a year ago is brought out by two other sets of figures besides those for profits and sales. The value of inventories, the company said to-day, was down by $20m. at the end of April from the level of a year earlier to $38m. Meanwhile, cash and cash equivalent on hand at the same date was up to $247m. from $184m. the year before.

Geico future unclear

By Stewart Fleming

NEW YORK, June 23.

THE QUESTION of whether the financially strained government employees insurance company (GEICO) will be forced into bankruptcy remained unresolved to-day. Mr. Maximillian Wallack, the District of Columbia insurance commissioner who is attempting to pull together an insurance industry based rescue for GEICO's 2.8 million policyholders said that he had to get full support for his proposals. These would have involved major U.S. insurers taking on 40 per cent. of GEICO's business under a reinsurance treaty. Mr. Wallach said that he had received a 75 per cent. response but added that this was probably inadequate.

Revlon in Brazil

REVLON, the U.S. cosmetics group, has bought a 70 per cent. shareholding in the largest Brazilian company in the field, Bozzano, according to reports here, writes David White.

Bozzano had a turnover of just under $20m. last year, and this is expected to increase to around $30m. this year. The price agreed with Revlon was not revealed.

The reports indicated that Revlon had bought the 55 per cent. controlling interest held by members of the Bozzano family, and a further 15 per cent. from other private shareholders.

The deal is expected to breaden Revoln's base in the Brazilian market, since Bozzano's cosmetic products mostly fall into a lower price-range than Revlon's own range. The two companies are to continue operating separately, but the Brazilian manufacturing operations may be brought together at a future date.

Hoffmann appeal

THE SWISS Pharmaceutical concern Hoffmann-La Roche is to appeal to the European Court of Justice against the fine of 300,000 units of account imposed by the EEC Commission on a charge of violating article 86 of the Treaty of Rome. The Commission had based its case on alleged misuse of a dominating position in the vitamins market. It alleged that the company rewarded its clients with "fidelity rebates" for purchasing their full range of vitamins, writes John Wicks.

Creditanstalt to raise Sch. 600m.

BY PAUL LENDVAI

VIENNA, June 23.

CREDITANSTALT Bankverein, Austria's number one bank, is increasing its capital by Sch600m. (about £18.2m.) by way of a one-for-two rights issue at 180 per cent. Lists are open until July 15 and the new shares rank for dividend as from January 1, 1976. In spite of the large 50 per cent. increase in its capital, the 10 per cent. dividend rate will be maintained. This was announced by Dr. Heinrich Treichl, Chairman of the Board and Director-General.

The first real capital increase for the bank since 1945 will lead to a rise of its own resources, as measured in terms of total assets from 3.3 per cent. to 4.7 per cent. However, the expected expansion of business during the rest of the year will once again depress the ratio somewhat, probably to 4.3 per cent. The brisk inflow of deposits, particularly in the savings sector, coupled with a further rise of the bank's market share and the deterioration of the earnings position was stressed by Dr. Treichl as the main characteristic of the January-May period this year.

Savings deposits during the first five months of this year compared with the same period in 1975 went up by 6.9 per cent. to Sch.15.4bn. At the end of May total savings deposits at the Creditanstalt group as a whole reached Sch.23.7bn., 1.3bn. up on the position a year ago. This means that the bank has consolidated its position as the second largest savings bank in Austria in addition to its pre-eminent position in other fields.

Turning to the interest rate situation, Dr. Treichl stressed that the trend towards lower rates should have been initiated earlier probably last autumn because the level of interest rates in Austria has been far too high.

Bowater borrows $30m.

BY MARY CAMPBELL

BOWATER Corporation yesterday launched a $30m. ten-year issue on the Eurobond market. Apart from the banks, no British private sector company has issued a dollar-denominated Eurobond since 1973.

The average life of the issue could come down to 8.1 years if the purchase fund is operated to the full, Crédit Suisse White Weld, the lead manager said yesterday. The other two members of the management group are Swiss Bank Corporation (Overseas) and Union Bank of Switzerland (Securities).

Noranda Mines of Ontario, Canada, has announced a Can.$25m. Eurobond issue. The maturity will be six years and the indicated coupon 9¾ per cent. The lead manager is Wood Gundy.

This is Noranda's second Eurobond financing within a year. Last October it made a two-tranche $25m. issue, of which one tranche was in U.S. dollars and the other in Canadian dollars.

A number of issues have been priced in the last couple of days. Thomas Nationwide Transport's $10m. of seven year bonds were priced at par on the indicated per cent. coupon. K-Mart's $36m. ten-to-26 year issue was priced at 99½ after a coupon cut from to 9 per cent. The City of Laval's Can.$20m. seven-to-twenty year issue was priced at 99 on the indicated 10 per cent. coupon and the Home Oil's ten-year issue at 100½ on the indicated 9¾ per cent. coupon.

Parsylon Corporation of Iran has signed a $20m. medium-term Euromarket loan. It is guaranteed by the Industrial Credit Bank of Iran.

The proceeds of the loan will be used to purchase plant and equipment for production of nylon six filament of which about 80 per cent. of Iran's needs are currently imported.

Orders improve at Krupp

BY ADRIAN DICKS

ESSEN, June 23.

FRIEDRICH KRUPP, the West German steel, engineering and shipbuilding group, has seen a 5 per cent. increase in orders during the first five months of 1976, compared to the same period a year before. But its top management made clear here to-day that the group is still suffering losses from the state of the steel market, and that any lasting improvement in its performance will depend on a broader recovery of the steel sector.

Largely because of its difficulties with steel, Krupp made a DM67.8m. (£14.8m.) loss in 1975, compared to a DM34.3m. profit the previous year.

In several non-steel areas, however, the group achieved substantial increases in its turnover last year, and the new chairman, Herr Heinz Petry, held out the hope that performance in 1976 would be at least as good.

Among these, industrial plant installation appears to be the strongest. Krupp held total orders worth some DM6bn. in this area at the end of March, while it had orders worth DM1bn. for machine tools and DM2bn. for new shipping tonnage.

Herr Petry called the group's shipping order book "healthy," with the tankers in hand all promised to firm customers. Work on these orders should keep the group's Bremen yards busy until the end of 1977. Meanwhile he said that Krupp had been able to carry out a policy of flexible investment at its Bremerhaven works and could offer a wide range of special ship types including bulk carriers, container vessels and liquid gas tankers.

The chairman announced a series of changes in the organisation of subsidiaries during 1975, resulting in part from the integration of Koppers into the Krupp group, where it will be integrated with Krupp's chemical plant company under the name of Krupp-Koppers. Last week the company took pride of place in the consortium of West German companies which signed a contract with the Polish Government for construction of a huge coal gasification and chemical treatment complex in Silesia.

Herr Petry also indicated that Krupp is thinking of tightening executive control by the central management over its subsidiaries when he remarked that "we are not here merely as co-ordinators, arbitrators or as a financial clearing-house."

The group revealed that it is looking hard for new areas in which to invest, including the sale of the lammiflex plywood and paper-based packaging material, for which it holds the manufacturing licence for Germany from the Swedish inventors, Sandvik. It is also looking at the possibilities for building up a consultancy business in the transportation and bulk handling area.

In response to a question, Herr Petry said that Krupp was very satisfied with its co-operation programme with Iran, but declined to provide details of what this now involves.

Renault steps up production

FINANCIAL TIMES REPORTER

RENAULT, the French car manufacturer, reports more favourable conditions so far this year with daily production running at a higher level than in 1975.

Main objectives of the French State-owned corporation are to wipe out the losses made in 1975, to finance its own development and to modernise its installations, it adds.

This is "realistic" while production is running to schedule.

The 1975 finacial results were very heavily affected by loss of production owing to social unrest in the spring plus a serious deterioration in monetary resources resulting from the appreciation of the French franc on the international market to which, as a major exporter, it was particularly sensitive.

The accounts for the year show a loss of Frs.551m. with investments amounting to a record Frs.2.15bn. and taxes exceeding Frs.3.105bn.

Renault was the only French automotive manufacturer to increase production during the world recession in 1974.

Despite the continuing international crisis in 1975 it had intended at least to maintain the 1974 level of production with its widening range of cars well suited for the prevailing market and the efficiency of its commercial network, it adds.

However the 10-week industrial dispute at the Le Mans factory followed immediately by that at Chausson, resulted in a loss of 100,000 cars.

This meant, in fact, a 6.4 per cent. fall in production—from 1,487,528 cars in 1974 to 1,391,948 cars in 1975. Nevertheless, Renault still maintained its title as leading manufacturer in France, as the total production of Renault, Berliet and Saviem group came to 1,452,376 vehicles.

Renault export sales in the year remained around the same level as for 1974 and Renault was the leading manufacturer of privately registered cars throughout the nine Common Market countries, with 12 per cent. of total registrations.

Saviem prospects

BY RUPERT CORNWELL

PARIS, June 23.

SAVIEM, the truck subsidiary of the State-owned Renault motor group and recently merged with its erstwhile rival Berliet, to-day reported a loss of Frs.81.4m. (£9.5m.) for 1975 but drew hope from a recovery—at least on the domestic side—so far this year.

In the first four months of 1976 orders at home have picked up well and output was 12.8 per cent. higher at 13,398 units. Exports, however, fell back to 4,905 from 5,019 in the January-April period of 1975, and orders are showing so far little sign of improvement.

Juvena reorganises capital

BY JOHN WICKS

ZURICH, Jan. 23.

FOLLOWING negotiations with banks, the Juvena cosmetics concern of Volketswil, Switzerland, is to recommend a capital reorganisation at an extraordinary general meeting to be held on July 14. The Board foresees the halving of the nominal share and participation-certificate capital, an increase on the reduced capital to its former levels by the issue of cumulative preference shares and a conversion to this end of bank loans, the banks also to contribute a cash payment. The new preference shares will be obtainable at par by existing holders of shares, participation certificates and convertible bonds.

At the same time, the Board announces a consolidated loss for 1975 of Sw.Frs.26.5m. after group turnover for the year of Sw.Frs.99m. The loss contains exceptional losses of some Sw.Frs.7m. including special depreciation, revaluation of stocks, write-offs and restructuring costs as well as foreign-exchange losses. As expected, the restructuring of the group announced last autumn had no effect on the results.

Juvena expects another "substantial loss" for 1976, primarily for over-capacity in the production sector, losses incurred by some subsidiaries and high interest costs. The Board expects to conquer its difficulties over the next few years, however, it stated in a letter to shareholders.

DUTCH BUILDING

Ogem signs up with the government

BY MICHAEL VAN OS, AMSTERDAM

AFTER some eight months of negotiations, the Dutch government and the Ogem industrial group have finally signed an agreement for the establishment of a joint large building company, to be called Ogem Nederhorst Bouw. With annual sales totalling around Fls.1.5bn. and over 13,000 employees, it becomes Holland's second largest building company. And, in common with the other large Dutch building companies, it will be increasingly active outside the country.

Notwithstanding substantial government cash injections and other aid last year, it had become clear in mid-1975 that bankruptcy of the large Nederhorst United building and metal company had become unavoidable and that the jobs of many thousands of people were threatened.

Rescue move

At the end of last October, the Dutch Ministry of Economic Affairs stated that the government had decided to co-operate with Ogem in the establishment of a new building company in an effort to rescue Nederhorst. It had made the decision—which was immediately rejected by other Dutch building groups for fear of unnecessary competition in an already difficult market and of preferential treatment regarding government contracts—on the basis of an internal study by Ogem itself and also on the findings of a specially set up advisory committee.

But whereas the Nederhorst United building activities will now be continued, its less significant activities in the metal sector are still causing concern. No solution has yet been found for that sector and the unions now fear that much may eventually be phased out, throwing many people out of work.

It was generally agreed that the main problem at the ill-fated Nederhorst United group in Gouda was the one of top management. Particularly in the metal sector, which was in a difficult situation in general in recent years, the Board had made numerous unlikely acquisitions. At a Press briefing in Rotterdam yesterday after the announcement of the signing of the agreement with the Government, Ogem, which will manage the new company, said the move fitted in with the company's longer term planning as regards the building sector. Nederhorst's building activities, though loss-making mainly due to incidental reasons, had a good reputation at home and abroad, particularly regarding technical know-how.

According to a statement released by Ogem, the Government and itself will each take a 50 per cent. interest in ONB. The share capital to be paid up by ONB will be a nominal Fls.50m., to be issued at a price of 200 per cent. In addition, ONB will take up subordinated loans from the State and from Ogem, which will amount to Fls.75m. and Fls.25m., respectively. This means, therefore, that ONB will have capitalised at Fls.200m. in all.

ONB will acquire from Nederhorst United, a publicly quoted company, all building subsidiaries as well as a few other interests, mainly Dutch Antillian. And Ogem will be contributing its building division. Roughly, Ogem will be bringing in some Fls.600m. of sales and 4,500 employees and Nederhorst over Fls.900m. sales and over 8,700 staff. It was stated at the Press briefing that there would be no redundancies in the near future—there was no surplus of staff at the moment.

The Ogem statement says that in view of the special circumstances in which the Nederhorst building companies will be transferred to ONB, a transitional period has been agreed which will not last longer than until the end of 1978. In the transitional period, there will be a financial as well as administrative separation with the Ogem and the Nederhorst companies. The statement adds that "at the end of the period, a definite merger can take place." Ogem, it is added, will then have the option of acquiring, under certain conditions from the State 30 per cent. of the placed share capital of ONB. If this right is exercised, it will then hold 80 per cent. of the equity. The remaining 20 per cent. will in principle be reserved for the State-owned, but commercially controlled DSM chemicals group.

Supervisory Board

Ogem said a supervisory Board will be formed for ONB, three members will be appointed by the State and three by Ogem. The management of the new building company will be carried out by Ogem, by what is termed a "management company." Mr. D. G. Postma, formerely an Ogem Supervisory Board member, will be chairman, and there will be six more Management Board members.

In organisational terms, ONB's activities will be divided into two so-called sub-holdings, to be called Ogem Bouw for the Ogem companies and Nederhorst for the Nederhorst companies. The latter company, particularly, has a great many subsidiaries and interests outside Holland, in Europe and overseas.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	101	103
Ashland 8pc 1987	96	97
Austrasswiss 8pc 1987	93	94
BFCE 8½pc 1983	99½	100½
CNE 9½pc 1985	100½	101
Conoco 9pc 1986	99½	99¾
ECS 9½pc 1986	101½	102
EIB 9½pc 1985	102	102½
ERAP 9½pc 1983	102½	103½
Esso 8pc 1986 Nov.	100½	101½
Eurofima 9¼pc 1985	100	100½
Granges 9½pc 1983	101½	102
Massey 9½pc 1983	104	104½
Michelin 9½pc 1988	100½	101½
MODO 9½pc 1983	101½	102
Newfdlnd. Labrador 9½pc '89	103½	104½
New Zealand 9½pc 1982	103	103½
Norpipe 9½pc 1988	100½	101
Norsk Hydro 9½pc 1984	102	102½
Oslo 9pc 1988	100½	101½
Pacific Light 8pc 1988	[illegible]	95
Prov. Quebec 9pc 1984	101	101½
Scanraff 9½pc 1988	100½	101
SFE 9pc 1983	101½	102
Shell 8pc 1986	98½	99½
Stand. Oil (Ind.) 8½pc 1988	103½	104½
Svenska Handels 8½pc 1988	101½	102½
Volvo 9½pc 1983	102½	103
NOTES		
Barclays 9½pc 1982	101½	102½
British Gas 9pc 1981	100½	101½
Charb. France 9½pc 1981	99	99½
Denmark Mt. Bk. 9pc 1980	100½	101
ECS 8½pc 1981	101	101½
EEC 8½pc 1982	97½	97¾
Electricity Council 8½pc '81	100	100½
Montreal 9½pc 1983	102	102½
Nippon Steel 9½pc 1980	100½	101½
Norway 8½pc 1981	101	101½
Prov. Quebec 8½pc 1981	101½	102½
Seagram 9pc 1983	102½	103½

Source: White Weld Securities.

CONVERTIBLES	Bid
American Express 4¼pc '87	80
Ashland 5pc 1988	83
Beatrice Foods 4¼pc 1992	95½
Beatrice Foods 4½pc 1992	113
Borden 5pc 1992	95
Broadway Hale 4½pc 1987	76
Canon Camera 7½pc 1988	133
Carnation 4pc 1987	76
Chevron 5pc 1988	128
Dart 4¾pc 1987	77
Eastman Kodak 4½pc 1988	113
Economic Labs. 4½pc 1987	76
Fed. Dept. Stores 4½pc '85	114
Firestone 5pc 1988	80
Ford 5pc 1988	96
Ford 6pc 1986	84½
General Electric 4¼pc 1987	84
Gillette 4¾pc 1987	74
Gould 5pc 1987	98
Gulf and Western 5pc 1988	100
Harris 5pc 1992	87
Honeywell 6pc 1986	91½
ITT 4½pc 1987	77
Komatsu 7½pc 1990	103
J. Ray McDermott 4¾pc '87	145½
Mitsubishi Elec. 7½pc 1991	109½
Mitsui 7¼pc 1990	101
J. P. Morgan 4¾pc 1987	118
Nabisco 5½pc 1988	91½
Owens Illinois 4½pc 1987	103
J. C. Penney 4½pc 1987	79
Pioneer 6½pc 1989	190
Revlon 4¼pc 1987	103
Reynolds Metals 5pc 1988	87
Sperry Rand 4¼pc 1987	99
Squibb 4¼pc 1987	[illegible]
Texaco 4½pc 1988	77
Toshiba 6½pc 1990	105½
Union Carbide 4½pc 1982	124
Warner Lambert 4½pc 1987	83
Warner Lambert 4½pc 1988	80
Xerox 5pc 1988	74

Source: Kidder, Peabody Securities

هكذا من الأصل

JAPAN SURVEY

The Financial Times proposes to publish a survey of Japan. The provisional date and editorial articles are set out below.

6th July, 1976

1. **Introduction.**
2. **The Economy.**
3. **Politics.**
4. **Trade.**

Foreign Relations

5. **The U.S.**
6. **Europe.**
7. **The Middle East.**
8. **South-East Asia.**
9. **China.**

Banking and Finance

10. **Foreign Direct Investment in Japan.**
11. **Foreign Investment in Japanese Securities.**
12. **Internationalisation of the yen.**
13. **Public Finance in Japan.**
14. **Japanese Investment Abroad.**

Industries

15. **Steel.**
16. **Cars.**
17. **Shipbuilding.**
18. **Computers.**
19. **Textiles.**

Social and Political

20. **Labour.**
21. **Pollution.**
22. **Education.**
23. **Crime.**
24. **Short Profiles.**

We would point out that the contents and date of the Survey are subject to complete editorial discretion.

For further information and advertising details please telephone
Miss Nobuko Hashimoto on 01-248 8000 Ext. 556
or Simon Timmis on Ext. 394.

Greek officials believe that they could be established within the Common Market by 1979. **Robin Reeves** reports

Greece cannot wait to get into the Common Market

ANY ENTHUSIAST for Europe feeling disillusioned with the performance and progress of the European Community should try to spend his holidays this summer in Greece — the latest country to apply for full EEC membership.

Talking to Greeks, he will quickly find that the Common Market of rows, crises and deadlocks fades into insignificance. *In its place grows the image of* a community as a haven of advanced civilisation and democratic institutions, a force for good in the world and a guarantor of future economic prosperity. The enthusiasm is such as to be almost infectious.

Greek politicians and officials alike see no real reason why the entry negotiations should not open formally before the *summer recess in Brussels and* be completed within a year to *18 months* at the very outside. Allowing time for ratification by the national parliaments of Greece and the Nine, Greek feet could be under the table of the EEC decision-making Council of Ministers and the other community institutions by January 1, 1979 at the latest, they claim.

But despite their initial "yes" to the Greek request, the Nine are showing no hurry to open formal entry negotiations, and talks are now unlikely to open until after the holidays. Many people in Brussels have private doubts about Greek entry. The Brussels Commission's formal opinion on Greece's application is full of concern about the large proportion of its population still on the land, the primitive structure of its agriculture, and the country's "relatively weak" industrial base. It estimates that the application of existing policies would mean an additional net cost to the EEC budget of $360m. a year and suggests that a special injection of funds will be needed to bring the Greek economy up to scratch.

It was in this light that the Commission suggested a pre-entry period during which the Greek economy would be bolstered and the country's political institutions would be brought into closer working relationship with the Community. But the outcry from Athens was such that the Council of Foreign Ministers hastily rejected the idea and said that negotiations towards accession should proceed in the normal way.

Commission opinion

One Greek fear is that the Community will try to find excuses for delay, once the entry negotiations eventually begin. Officials in Brussels are now muttering about the monumental work of translating the treaties and 15 years of EEC legislation into Greek, and seeing it applied nationally. They are also much more seriously worried about the precedents which will be set in resolving Greek entry problems for future Mediterranean applications, notably from Spain and Portugal.

But the real questions which Greek entry poses for the future development of the Community are, so far, being no more than touched upon. The Commission's opinion says that the Community must not become a party to the disputes between *Greece and Turkey, relations* with Turkey must not be affected, and that Greek membership must not hold up improved EEC decision-making and further integration. But there has been no serious discussion of the danger that Greek membership may increase the prospect of a "two-tier" community, divided into strong and weak members.

But the Greeks are not going to be put off easily. The diplomatic nightmare in Brussels is that the Greek negotiators will say yes to everything and seek no special treatment at all pending entry. Greece has after all been preparing for EEC membership since the signature *of its 1961 association agreement* with the Community. Since November, 1974, practically all Greek exports to the Community and about two-thirds of EEC exports to Greece enter duty free. The Commission admits that the association agreement has brought customs union a long way, *drastically reducing the eventual economic impact of* membership even if the harmonisation timetable fell behind somewhat under the colonels.

But why the hurry? Most Greeks will tell you the desire to hasten entry is above all political, springing from the experience of the Colonels' dictatorship. Although it is nearly two years since the military returned to barracks, the *memory of the preceding seven* years is still very much alive in Athens. "Coup fever" still grips the capital from time to *time and the Government of Dr.* Constantine Karamanlis has not felt strong enough to purge the regime of many who collaborated with the Junta. Certain high officials still hold the same jobs they occupied under the Colonels.

This feeling extends across most of the political spectrum from the far right of Mr. Karamanlis' governing New Democratic Party, through the liberal flavoured Democratic Centre Union led by Mr. George Mavros, to two of Greece's three Communist parties. It subsumes a natural desire to place the country firmly within the Western European orbit and gain a seat at the top table of European affairs.

The only opposition to EEC *membership is coming from the* leftist Pan-Hellenic Socialist League led by Mr. Andreas Papandreou, and the Moscow-oriented Communist Party of the Exterior. Besides voicing familiar Left-wing objections that the EEC does not serve the aims of a United Europe but merely provides an arena for the free movement of monopolies, capital and workers, Mr. Papandreou has a number of more direct criticisms. He accuses the Government of a grave *error of* tactics. By announcing to the world that it was hell-bent on entry it would not be able to negotiate concessions of substance in such areas of community policy as *the CAP, the Regional Develop*ment Fund and the European Investment Bank he maintains. *He* further argues that the Government is putting itself in a position to be "blackmailed" in its relations with Nato and the disputes with Turkey over Cyprus and the Aegean. Third, because of its peripheral position to the Community, Greece's state of economic dependence *will increase rather than de*crease, as a *result of* membership. *Nor* is he convinced that EEC membership is a firm guarantee against a return of dictatorship.

Papandreou line

The Papandreou line could gather electoral support as *the prospect of full member*ship looms large, but even Mr. Papandreou admits no easy alternative exists. Meanwhile, the Greek Parliament is overwhelmingly dominated by Dr. Karamanlis's New Democracy and Mr. Mavros's Centre Union parties, which have no differences of substance on the EEC issue—and a general election is not due until 1978.

Further probing produces a barrage of statistics, such as the fact that Greece has sustained an annual average growth rate of 6.3 per cent. during the period 1962-75 compared with 3.8 per cent. for the Nine. The share of industrial and handicraft exports increased from 11.1 per cent. in 1962 to 49.9 per cent. of the total in 1974. GNP per head rose from one-third of the Community average in 1962 to almost half in 1974. In 1975, GNP per capita (at 1970 prices) was slightly higher than that of an existing EEC member, Ireland.

Officials like to point out that Greece has done particularly well in developing metal processing, petrochemicals and textiles. Large lignite and peat resources and hydro-electric potential plus unexploited minerals such as bauxite, nickel, iron, copper, magnesium, chromite, asbestos, lead and zinc offer the opportunity to establish new processing industries and save foreign exchange, given the influx of EEC capital to help develop them.

The prospects for Greek agriculture are described as less clear-cut. Fruit and vegetable production and wine are expected to expand and to prosper under the impact of higher prices, cereals output is not expected to change significantly, while milk and beef production could be reduced.

The Commission makes much of the poor structure of Greek agriculture, the fact that 36 per cent. of population are still employed on the land, and the low average area of holdings. It foresees the guidance section of the Brussels farm fund having to be stepped up substantially in order to provide resources for helping to improve structure and marketing. The Greek reply is that modernisation of agriculture is an essential national task inside or outside the Community. Meanwhile, *to export to the EEC at present*, it is in any case having to submit to Community standards and marketing disciplines. As for Europe's notorious food surpluses, the quantities produced in Greece are insignificant by comparison with total EEC production. Greek wine output, for example, is only 3.6 per cent. of total EEC production.

Dynamic effect

It is impossible to know at this stage whether the Greek economy will or will not benefit from full EEC membership. As in pre-EEC entry Britain, the Greek Government attaches great importance to the "dynamic effect" which the prospect of entry will provoke. But in Greece's case, this faith may not be as badly misplaced as it was, in the short run at least, in the U.K.'s. Greece does not have the problems associated with declining industrial areas. It has so far sustained one of the highest growth rates in Europe, and it still has a large agricultural population to draw upon for expanding industrial labour needs.

Politically, the difficulty is not so much that Greece will hold up the development of the Community's political institutions. The Greek Government has made it plain it would be happy to participate in 1978 direct elections to the European Parliament for example and there is no reason to expect Greece to have the kind of reservations about further European integration found in Britain and Denmark. It would undoubtedly be as staunchly pro-European as is Italy.

The ultimate question for the Community is whether it wishes to extend its frontiers towards the Eastern Mediterranean and the Balkans with all the potential risks to its political cohesion which this entails. It does not require much imagination to foresee the fragile political co-operation and common approach towards the rest of the world, which has started to develop among the Nine, being undermined, unless Greek entry is preceded by a lasting settlement to the tension over Cyprus and Aegean Sea sovereignty. The potential instability of a Yugoslavia without Tito is another problem which will be brought much nearer home given Greek membership. It follows that the final response of the Community to Greece's bid to join the club, ought to be to define what it really stands for, though such a response may be needed even sooner—when the impact of the result of the Italian general election makes itself felt.

SOCIÉTÉ CIVILE DES PROPRIÉTAIRES D'OBLIGATIONS

9½% 1976-1986 de US$1.000 de la

MANUFACTURE FRANÇAISE DES PNEUMATIQUES MICHELIN

Siège social : 3, rue d'Antin - Paris 2e

AVIS DE CONVOCATION

Messieurs les propriétaires d'obligations 9½% 1976-1986 de US $ 1.000 de la Manufacture Française des Pneumatiques Michelin, émises en Mars 1976 représentant l'emprunt de US $ 60.000.000, créées jouissance 15 Mars 1976 sont convoqués par la société débitrice, la Manufacture Française des Pneumatiques Michelin en Assemblée Générale, pour le 12 Juillet 1976 à 11 heures au 3, rue d'Antin à Paris 2ème, à l'effet de délibérer et statuer sur l'ordre du jour suivant:

ORDRE DU JOUR

"Ratification de la désignation des premiers administrateurs *de la Société Civile des Propriétaires d'obligations* 9½% 1976-1986 de US $ 1000 de la Manufacture Française des Pneumatiques Michelin, conformément à l'article 7 des statuts de la Société Civile."

Les porteurs d'obligations, pour pouvoir assister ou se faire représenter à l'Assemblée, devront déposer leurs titres cinq jours au moins avant la date fixée pour la réunion dans les caisses des Banques ou Etablissements de crédit ayant participé au placement de ces obligations et chez lesquels des pouvoirs sont tenus à la disposition des propriétaires d'obligations qui en feront la demande

MANUFACTURE FRANÇAISE DES PNEUMATIQUES MICHELIN

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Slightly weaker again in slow trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 23.

STOCKS CLOSED slightly lower in sluggish trading, as two rally attempts fell short. Prices fell across a broad front near the opening but recovered and were off by fractions at midday. However, the market failed to move into the plus column and retreated near the day's lows once more before firming a bit twords the close.

Technical forces were mostly at work, with preiods of bargain hunting cutting losses caused by profit-taking. In addition, analyst pointed out that investors are still concerned about inflation and interest rates.

The Dow Jones Industrial Index declined 1.07 to 996.56, while the NYSE Common Stock Index fell 0.11 to 55.03. Declines led advances, 842 to 559. Turnover amounted to 17.53m. shares against 21.15m. on Tuesday.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Pan Am	365,300	6	−⅛
Citicorp.	206,800	27	+⅛
Occidental Pet.	205,600	17⅞	−⅛
Xerox Corp	166,200	50⅞	−1⅛
Dresser New	156,400	42⅞	−⅛
Marcor Inc	153,700	37⅛	−⅛
Int. Tel. Tel.	143,400	27⅞	−⅛
Dow Chemicals	139,100	41	—
Weyerhaeuser	138,100	45½	−1¼
Sony Corp	133,700	9¼	—
Am. Tel. Tel.	132,900	55⅞	−⅛

Eli Lilly lost $1¼ to $30, Mobil $1¼ to $59¼, Monsanto $1¼ to $91½, J. Ray McDermott $1¼ to $48¼, Du Pont $1¼ to $143¾, Deere and Company $1¼ to $70¾, Weyerhaeuser $1¼ to $45½, Hewlett-Packard $3¾ to $111¼, Squibb $1¼ to $31¾ and Big Three Industries $2¼ to $66¾.

But Digital Equipment rose $4 to $174¾. Purolator, delayed at the opening and halted before the close traded at $28¾, down $7¼. On Tuesday the company predicted a 1 per cent. to 15 per cent. decline in second quarter earnings.

Emery Air Freight added $1¾ at $43. The company said it will start flying its own fleet of cargo planes before Labor Day.

On the American Stock Exchange prices were lower in slow trading. The Amex index fell 0.28 to 104.42 and declines led advances 362 to 251.

Ford Motor Company of Canada picked up $1 to $89 and Houston Oil and Minerals advanced $1 to $58⅞.

Whiting Corporation rose ⅞ to $36¼ after receiving a $10m. Polish contract.

Numac Oil and Gas was up 75 cents to $12½. The company said it expected to have at least four gas plants operating in less than a year as a result of increases in proven natural gas reserves.

OTHER MARKETS

Canada lower

Canadian stocks closed mostly lower in moderately active trading on the Toronto Stock Exchange. Declines led rising issues by nearly two-to-one and the Industrial Average fell 1.04 to 188.76. Golds dropped 4.67 to 290.96. And Base Metals and Western Oils were also slightly lower.

Banks, Food companies and Communications shares were off, while the Construction and Beverage sectors gained.

Among the actives were Imasco "A" shares, which fell $1 to $23¼ and Canadian Imperial Bank of Commerce, which closed 75 cents lower at $24⅝.

A block of 4,600 helped push Baton Broadcasting to the top of the active list with 47,000 shares traded. It was off ⅛ at $8¼ by the close. The volume was 2.46m. against Tuesday's 2.35m.

In Montreal too stocks closed lower in moderately active trading. The Industrial Index fell 1.56 to 200.70 and the Banks Index lost 2.81 to 232.11.

PARIS—The market was generally lower, with only Metals and Chemicals registering slight gains. Banks were slightly easier while Foodstuffs, Motors and Constructions all lost ground. The downward trend was followed by Investments, Engineerings, Stores, Electricals and Oils.

BSN Gervais and Correfour each lost Frs.29 to Frs.631 and Frs. 1,758 respectively. Afrique Occidentale fell Frs.12 to Frs.415 and Aquitaine Moet Hennessey and Redoute each lost Frs.8. Peugeot, L'Oreal and Michelin "B" also declined.

BRUSSELS—There were falls in all sectors following the decline on Wall Street, but trading was very quiet, with no major movements.

Petrofina and American Petrofina fell. But La Royale Belge put on Bfrs.50 to Bfrs.4,730 and GB Inno BM gained Bfrs.35 to Bfrs. 1,785. Another issue to advance was Solvay up Bfrs.20. But Société Générale and Vieille Montagne both declined. Hoboken lost Bfrs.15 and Brux Lambert Bfrs.20. Traction and Kreditbank also weakened.

FRANKFURT — Shares closed weaker overall, despite scattered buying, mostly as a reaction to the steady gains of the past fiur trading days. Leading Banks, Chemicals and Electrisals fell a maximum of DM1.60. Motors and Steel were up to DM2.50 weaker and Engineerings up to DM3. BMW, despite announcing expected higher 1976 profits, fell again—although this time by only DM2. Stores and Utilities tended mixed.

AMSTERDAM—Shares retreated quietly in line with Wall Street, with Dutch Internationals Hoogevens, Unilever and Royal Dutch losing Fl.1-Fl.2.

Elsewhere, Insurances were mixed. Isolated gains were scored, by Bols and Pakhoed. OGEM rose after forecasting an earnings recovery. But Van Ommeren fell Fl.5.2 and Robeco surrendered Fl.1.3. KLM and Robeco were both over Fl.1 down. State loans fell too.

ZURICH—The market drifted lower over a fairly broad front. Financials declined, led by Elektrowatt, Bally Registered, Oerlikon-Buehrle and Juvena. Insurances followed the trend and Industrials closed widely lower, with the Bearer shares of BBC and Ciba-Geigy leading the declines. State Bonds however, moved generally higher.

VIENNA—Very steady but movements were narrow. Leading Banks continued to advance, but Kreditanstalt was weak.

MILAN—The market closed easier in quieter trading, influenced by consideration of the election results.

Generale Immobiliare, Assicurazioni Generali and Montedison lost ground, although Fiat and Pirelli Spa gained L46 and L9 respectively against the general trend. Pirelli, SAFFA, Snia Viscosa, Breda and Centoni all declined.

COPENHAGEN — The market was generally lower in active dealings. Banks were slightly lower and losers among communications and commodities included Great Northern Telegraph and East Asiatic. Shippings and Industrials were generally lower apart from Burmeister and Wain which gained Kr5 against the trend.

OSLO—Banking and Insurances tended firm while Industrials were irregular and Shipping steady. Kreditkassen gained Kr.3.5.

JOHANNESBURG—Gold shares were easier in quiet trading on lack of interest and the lower bullion price. Losses in smaller and medium-priced issues ranged from 5 to 30 cents and in Heavyweights 30 to 150 cents.

The financial mining sector was lower in line with producers. The Industrial market was also easier where changed.

HONG KONG—The market closed easy, with some profit-takink in moderate turnover. Hong Kong Bank fell 10 cents to $HK19.00. Jardine Matheson lost 20 cents to $HK21.60, and Wheelock Marden 7.5 cents to $HK2.575.

TOKYO—The market closed slightly higher after opening lower. The Tokyo SE index closed down 0.37 at 350.74.

Sony rose Y3 to Y2,380 on good earnings, sending some other Japanese Electricals higher.

Tokio Marine, Matsushita Communication, Alps Electric, Ishikawajima - Harima Heavy Industries and Showa Oil closed higher. But export-oriented shares lost ground with investors discouraged by the fall on Wall Street and Japanese involvement in the Lockheed scandal.

AUSTRALIA — Markets were mixed with several leading Industrials and Mining shares falling in moderate trading. BHP lost 12 cents to $A3.06.

In the mining sector, Utah rose 15 cents to $A3.95 on news its Norwich Park coking coal development would proceed. Uraniums were generally firmer with Queensland Mines rising 5 cents to $A2.10 and Kathleen 3 cents to $A1.43.

Indices

NEW YORK—DOW JONES

	June 23	June 22	June 21	June 18	June 17	June 16	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	996.56	997.63	1007.45	1001.88	1003.19	983.82	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	72.75	72.76	72.88	72.71	72.66	72.44	75.00 (22/4)	68.11 (2/1)	—	—
Transport	220.64	221.07	221.62	220.46	218.99	217.57	220.91 (11/6)	175.69 (2/1)	279.88 (7/2/69)	13.23 (6/7/32)
Utilities	85.95	85.79	86.05	86.16	85.95	85.67	91.99 (4/2)	84.60 (26/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trding vol 000's ‡	17,550	21,150	18,930	25,720	27,810	21,620	—	—	—	—

Ind. div. yield %	June 18	June 11	June 4	Year ago (approx)
	3.79	3.86	3.94	4.69

STANDARD AND POORS

	June 23	June 22	June 21	June 18	June 17	June 16	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	116.25	116.53	117.48	116.86	116.75	114.79	118.57 (24/5)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	103.25	103.47	104.28	103.76	103.61	102.01	105.61 (17/6)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	June 17	June 9	June 2	Year ago (approx.)
Ind. div. yield %	3.41	3.55	3.46	3.75
Ind. P/E Ratio	12.65	12.22	13.59	11.02
Long Govt. Bond yield	5.69	5.72	5.66	5.71

N.Y. S.E. ALL COMMON

June 23	June 22	June 21	June 18	1976 High	1976 Low
55.03	55.17	55.55	55.29	55.53 (21/5/76)	37.06 (2/1/76)

Rises and Falls	June 23
Issues Traded—1,832	Up—559
Down—842	Same—431
New Highs 59	New Lows 15

MONTREAL	June 23	June 22	June 21	June 18	1976 High		1976 Low	
Industrial	200.70	202.29	202.75	202.92	207.55	(19/3)	176.62	(2/1)
Combined	192.57	193.88	194.33	194.81	199.76	(20/6)	175.07	(2/1)
TORONTO Industrial	188.76	189.80	190.57	190.72	197.43	(30/6)	176.81	(2/1)
JOHANNESBURG Gold	198.8	198.6	199.1	198.6	229.7	(12/6)	174.4	(6/4)
Industrials	203.8	205.9	203.5	202.9	215.0	(21/6)	198.6	(6/4)

	June 23	Pre-vious	1976 High	1976 Low
Australia (a)	475.31	475.61	475.61 (22/6)	440.52 (5/1)
Belgium (b)	99.34	99.83	111.15 (6/2)	97.80 (6/6)
Denmark (c)	109.41	110.19	112.22 (9/6)	100.20 (10/5)
France (e)	66.9	67.7	74.5 (3/3)	65.1 (18/5)
Germany (f)	757.3	762.2	821.7 (17/6)	735.0 (28/5)
Holland (g)	95.0	95.5	103.5 (5/2)	91.4 (2/6)
Hongkong (h)	409.50	410.57	462.63 (17/3)	394.53 (2/1)
Italy (k)	77.57	78.74	91.57 (25/3)	73.20 (4/5)
Japan (m)	350.74	351.11	356.11 (16/6)	326.28 (5/1)
Singapore (n)	252.90	255.69	289.16 (5/2)	276.35 (2/1)

	June 23	Pre-vious	1976 High	1976 Low
Spain (p)	87.65	88.72	100.79 (1/6)	85.43 (1/4)
Sweden (q)	456.39	454.76	479.96 (10/6)	395.55 (19/1)
Switz'rl'd (r)	285.0	287.1	298.6 (12/3)	275.3 (4/6)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73 (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64 (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp 31/12/58. (s) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 425 Inds., 30 Utilities and 35 Rails. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—117¾% (118%).

NEW YORK

Stock	June 23	June 22
Abbott Labs	44⅝	44⅞
Addressograph	8⅞	9⅛
Corning Glass	74⅞	75⅝
CPC Int'national	46¼	45⅝
Crane	35⅞	36⅝
Crocker Nat	25¼	26⅞
Crown Zellerbach	46⅛	46½
Johns Manville	29⅝	30⅛
Johnson Johnson	84¼	84¼
Johnson Control	20⅝	20¼
Joy Manufactur'g	48	47⅜
Republic Steel	48⅛	38⅞
Revlon	78⅝	78⅛
Reynolds Metals	39	38⅞
Reynolds R. J.	58⅝	59⅛
Zenith Radio	34⅜	34
Chile 4% 1993	†90	†90
U.S. Treas 4% 1980	†89⅝	†89⅝
US Treas 4¼% 75/85	†82	†82

Pound steady

Sterling was unchanged against the U.S. dollar in the foreign exchange market yesterday, but trading was very quiet and movements were within a narrow range. The pound was around $1.7740-1.7750 for most of the morning, but by the close had fallen slightly to $1.7720-1.7730, the same as the previous close. Further intervention by the authorities in the short-term forward market may have helped sterling to some extent. The three-month pound's discount against the U.S. dollar widened to 3.25 cents from 3.10 cents.

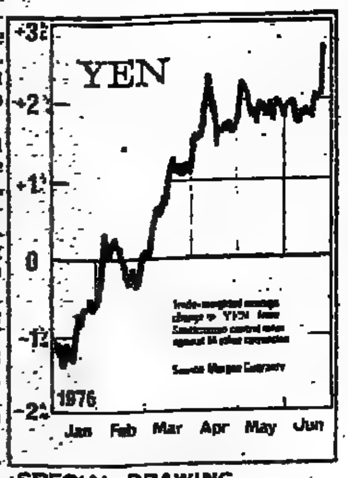
The pound's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to 39.2 per cent. from 39.1 per cent., after standing at 39.1 per cent. at noon and in early dealings.

The Italian lire recorded little change, following the result of the Italian election, and the Swiss franc was also steady at Sw.Frs. 2.4875 to the dollar. The recent appreciation by the Canadian dollar continued however.

The sharpest movement yesterday was by the Japanese yen, which closed at Y296.90 to the dollar, compared with Y299.15 previously. There has been speculation recently, particularly in Japan, that the U.S. authorities are likely to ask Japan to allow the yen to move freely in the market. It has been suggested that the Japanese authorities have been artificially depressing the value of their currency over recent months.

The dollar's trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty in New York, widened to 1.83 per cent. from 1.69 per cent.

Gold fell $½ to $124½-125¼. The krugerrand's premium over its gold content widened by 3.70 per cent. for domestic delivery, but was almost unchanged at 3.30 per cent. in the international market.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	June 23	June 22
Sterling	0.645192	0.646620
U.S. dollar	1.14457	1.14434
Belgian franc	45.3536	45.3902
Deutsche mark	2.94521	2.94954
French franc	5.42841	5.43104
Italian lire	971.540	970.314
Japanese yen	342.112	342.158
Dutch guilder	3.13097	3.13435
Swedish krone	5.10535	5.10261
Swiss franc	2.843681	2.84563

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

June 23	Frankfurt	New York	Paris	Brussels	London	Am'sterdam	Zurich
Frankf't	—	2.573-574	54.26-32	6.49-55	4.56-57	94.06-13	103.55-68
N. York	38.84-86	—	21.05-15	2.523-526	1.7725-31	36.54-58	40.25-28
Paris	184.11-51	4.7377-4.7677	—	11.81-85	8.402-427	173.23-62	190.85-1.86
Brussels	15.36-41	39.60-64	8.44-76	—	70.22-34	14.47-50	15.93-96
London	4.56-57	1.7720-30	8.40-41	70.20-40	—	4.842-52	4.40-41
Am'rd'm	106.27-32	2.7342-7367	51.65-70	6.902-907	4.840-255	—	110.60-0.11
Zurich	96.52-61	2.487-488	52.40-44	6.27-277	4.406-408	90.38-97	—

Canadian $ in New York C$=US$1.0116-1.0118. U.S. $ in Milan 848.25-849.25. Sterling in Milan 1503.80-1505.00.

EURO-CURRENCY INTEREST RATES*

Euro-French deposit rate: two-day 7⅝-7⅞ per cent.; seven-day 7½-7⅞ per cent.; one-month 9⅛-9¼ per cent.; three-month 9⅛-9⅝ per cent.; six-month 10¼-10⅜ per cent.

Longer-term Eurodollar deposits: two years 8⅛-8¼ per cent.; three years 8⅜-8⅝ per cent.; four years 8⅜-8⅝ per cent.; five years 8⅝-8⅞ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one-month 5⅞-6 per cent.; three-months 6⅛-6¼ per cent.; six-months 6⅜-6½ per cent.; one-year 7⅛-7¼ per cent.

* Rates are nominal closing rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

GOLD MARKET

FOREIGN EXCHANGES

OTHER MARKETS

FORWARD RATES

CANADA

GERMANY ♦

June 23	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	89.5		—	—
Allianz Versich.	408	+2	18	2.2
B.M.W.	242	−2	18	3.7
BASF	166	−1.8	14	4.5
Bayer	138.7	−0.7	17	6.1
Bayer Hypo	279	−0.5	20	3.7
Bayer Vereinsbk.	280.5	−0.5	20	2.9
Commerzbank	184.5	−1	18	5.1

MILAN

AUSTRALIA

JOHANNESBURG

BRUSSELS/LUXEMBOURG

PARIS

TOKYO ¶

SWITZERLAND ♦

AMSTERDAM

SPAIN ♥

STOCKHOLM

COPENHAGEN

OSLO

VIENNA

هكذا من الأجل

مكتبة الأهرام

FARMING AND RAW MATERIALS

U.S. cotton supply concern

WASHINGTON, June 23.

ANTICIPATED increased domestic and export demand for cotton could be tempered by mounting concern over supplies and rising prices, the U.S. Agriculture Department said in a summary of its cotton situation report to be published on July 30.

It pointed out that spot prices of cotton had climbed by nearly 20 cents per pound since late March and currently were at their highest level since January 1974.

The USDA said the use of cotton by domestic mills next season was likely to suffer as they switched to man-made fibres which currently are substantially cheaper than cotton in the U.S.

It is predicting that total cotton usage next season will range between 10.0m. and 12.0m. bales. Of that, it predicts U.S. mills will use from 6.5m. to 7.5m. bales compared with about 7.25m. bales this season, and exports will be between 3.5m. and 4.5m. bales compared with 3.5m.

Boosted by a sharp increase in the planted acreage this spring, the USDA anticipates that U.S. 1976 cotton production will rise significantly above the relatively small 8.3m. bales harvested last year.

Reuter

Floods hit North Indian tea output

CALCUTTA, June 23.

TEA PRODUCTION in North India which at 25.93m. kilos at the end of last April was running well ahead of the figure on the same date in 1975 appears to have received a setback due to the floods which still inundate vast areas in Assam including a large part of the tea growing areas.

According to latest reports tea bushes in some 109 estates in Cachar District have been damaged by the floods and plucking in them will be definitely delayed.

Some others have closed operations altogether due to a shortage of coal and furnace oil caused by the flood disruption to communications.

South Indian tea output has already been hit by a prolonged drought. The end-April production figure in the South at 26.65m. kilos was about 7m. kilos short of the 1975 figure on the same date.

Big Soviet wheat imports likely again—U.S.

BY OUR COMMODITIES STAFF

THE SOVIET Union is likely to continue to import large quantities of wheat in the 1976-77 season, but significantly less coarse grains, the U.S. Department of Agriculture forecast yesterday.

In its first official estimate of the total Soviet grain production it forecast an output figure of 190m. tonnes, which is 5m. more than the total projected by U.S. officials earlier this month.

The forecast was received quietly on London markets but in Chicago wheat, maize and soyabean all fell sharply in early *dealings in reaction to the* USDA's report and the publication of its estimates of U.S. grain stocks.

Despite the higher figure now being forecast for the Soviet grain production, the 190m. tonnes is still 15m. below the USSR's own target for the 1976-1977 season. But it does represent a considerable improvement on last year's harvest of 140m. tonnes which forced the Soviet Union into buying nearly 30m. tonnes of grains on the world market, principally from the U.S.

The USDA thinks the biggest improvement will come in the coarse grains sector where it forecasts a record 99m. tonnes crop compared with only 64.6m. tonnes last year. As a result it feels that there will be significantly less Soviet imports of coarse grains than the 16m. tonnes they are believed to have purchased in the past year.

The Soviet wheat harvest should be around 75m. tonnes, up from 66m. tonnes last year, but well below the target for 1976-77. This should lead to a continued high level of Soviet wheat imports, probably equalling the 10m. tonnes it imported last season, said the USDA.

On European markets the forecasts by Mr. Pierre Lardinois, the EEC Farm Commissioner, that the continuing drought across Europe is likely to reduce the EEC's expected grain output from 108m. tonnes to near last year's 87m. tonnes provided a strengthening feature.

Meanwhile, Reuter reports from Tokyo that the Japanese Government plans to raise official wheat producers' and consumers' prices by 7.3 and an average 16.4 per cent. respectively for this year to encourage domestic wheat production and to reduce accumulated food account deficits.

Mr. Shintaro Abe, Agricultural Minister, asked his advisory body, the Rice and Wheat Price Deliberation Council, to recommend whether the planned price rise is advisable.

The Ministry said following the recommendations, expected tomorrow, the new prices would be formally decided on and go into force on July 1.

No rise in Chile copper output

SANTIAGO, June 23.

CHILE WILL not increase its copper production because it believes this would cause prices to fall, Sr. Enrique Valenzuela, Mines Minister, said, reports Reuter.

Chile's copper production this year will total 900,000 tonnes, the same as last year and in 1974, he predicted.

He said this target will be maintained although the Council of Copper Exporting Countries (CIPEC) agreed recently in Paris to end the 15 per cent. cut in production by its founder members —Chile, Peru, Zambia and Zaire.

Sr. Valenzuela said that despite the agreement to lift the production restrictions, world prices are maintaining a level of over 70 cents a pound.

"We have been watching the world copper market closely and . . . do not intend to increase production because this would cause a drop in prices," he added.

Sr. Valenzuela claimed Chile had already sold its projected 1976 output, adding that Brazil has become an important customer, agreeing to buy 140,000 tonnes of Chilean copper this year.

Our Commodities Staff writes: The statement by the Chilean Mines Minister had little impact on copper prices on the London Metal Exchange yesterday, since most dealers believe the 15 per cent. production cutback has been more theoretical than real.

In fact copper prices moved up in early trading with three months wirebars reaching £932 a tonne at one stage, mainly on covering of previous sales. But the market then followed the general downward trend set by U.S. grains and silver in Chicago, and the decline was accelerated by arbitrage transactions involving selling in London and buying in New York.

Tin prices continued to go ahead, encouraged by a sharp rise in the Straits tin market in Penang overnight which gained SM26 to SM1.196 a picul in a heavy turnover with reported continued selling by the buffer stock of the International Tin Council.

The Penang price is now very close to the International Tin Agreement "ceiling" of SM1.120 at a time when tin producers and consumers are locked in a series of Tin Council meetings in London.

Silver prospects brighter

CALCUTTA, June 23.

INDIAN SILVER exporters consider business prospects this year to be even brighter than in 1975 and the current silver price of Rs.1,418 (£87) per kilogram reflects this optimism. They expect the world industrial demand of silver to be around 400m. ozs in 1976 compared with 355m. in 1975.

The latest expert estimate of the supply of primary silver this year falling short of demand by 115m. ozs has also induced the current "bullish" sentiment in the Indian silver market just as it has boosted market sentiment in London and New York.

India's silver exports totalled 53m. ozs in 1975, 10m. ozs more than in 1974. The trade expects a bigger increase in exports in 1976.

World refined silver stocks fell 1,979,085 troy ounces in May, after an increase of 1.8m. ounces in April, Silver Institute statistics show, reports Reuter from Washington.

U.S. refiners stocks fell 1,441,631 ounces during May to 6,036,828 ounces, while stocks in foreign countries participating in the Institute's statistical programme fell 537,454 ounces to 7,193,284.

During May U.S. refiners produced 10.95m. ounces of silver, while foreign refiners output was 10.03m. ounces, the Institute said.

Brazil cuts coffee crop forecast

RIO DE JANEIRO, June 23.

BRAZIL'S 1976-77 coffe crop plan foresees output of 7.2m. sixty-kilo bags, Sr. Camillo Calazans, Brazilian Coffee Institute (IBC) president, said, according to Press reports from Brasilia, reports Reuter.

This is 1m. less than the 8.2m. bags indicated in the IBC's first official forecast in January. The fall results from an expected loss of 500,000 bags each in Sao Paulo and Minas Gerais states because of adverse weather, Sr. Calazans is reported as saying.

Our commodities staff writes: with physical demand still restrained coffee prices on the *London terminal market* drifted lower. The September position closed at £1,535.5 a tonne, down £31.5 on the day.

London cocoa futures prices followed up Tuesday's sharp gains with a further £17.5 rise in early dealings yesterday. But profit-taking late in the day trimmed the advance drastically and the September quotation ended only £7 higher on the day at £1,226.5 a tonne. Dealers said the initial rise was mainly due to chartist buying.

Record milk production in May

Financial Times Reporter

THE DAIRY farms of England and Wales produced more milk in May this year than ever before in a single month. Total *sales from farms amounted to* 272,140,000 gallons—more than 20m. gallons, or 8 per cent., more than in May last year, and nearly *10m.* gallons more than in the previous record month—May, 1973, said the Milk Marketing Board.

But the long drought in southern and eastern England is already beginning to affect grazing.

"There are indications that this is starting to affect production levels," said a Board spokesman. "All the same, production this month could still be up on June last year."

While milk production has climbed, sales on the doorstep have fallen because of increased prices. Sales of liquid milk in May amounted to 129,130,000 gallons, 58,000 gallons, or 0.4 per cent., lower than in May, 1975. But this percentage fall is smaller than in April when it was 2.7 per cent.

PEA HARVEST

Drought brings early crop and low yields

BY DAVID RICHARDSON

THE HARVEST of green peas for processing has begun in East Anglia at least a week earlier than usual.

The premature start was the result of the hot, dry weather ripening the crop in record time and many farmers and some of the factories were caught unprepared. But after a shaky beginning around last weekend, most operations had clicked into gear by the middle of this week and *the usual 24-hour harvesting was* clearing fields at a good rate of work.

As expected after the prolonged drought, yields are disappointing to say the least. Most farmers hope to average at least 35 cwt. of green peas per acre to give a reasonable return. Crops harvested so far have been well below that figure and many have yielded less than 20 cwts. per acre — well below break-even point and bound to lead to losses.

Moisture

Some low yields at the beginning of the season are not unusual and later crops often raise the average to more respectable levels. But land is so short of moisture now, and many crops are so far advanced towards maturity that it would take a miracle to produce really good yields this season.

The rain which washed out the Test match at Lord's last weekend failed to produce such a dramatic result in the pea fields. Falls recorded in Norfolk and Suffolk were almost all less than a quarter of an inch and did little more than lay the dust.

Farther north, in Lincolnshire and around the Humber, the other main pea-growing areas, more rain has fallen and reports suggest that crops could yield up to the average at least. In any event there must have been sufficient rain to delay ripening until a more normal date as most northern factories are only just beginning to process.

That is not to say that lack of water does not pose a problem. At one factory near Grantham the management is reported to be concerned that it will have insufficient water from mains supplies to complete the processing of all the peas grown on contract. It has already modified the process to recycle seven times the water that is available, but apparently this may not save the situation and some crops are likely to have to be left for seed.

It must be pointed out, however, that although all factories will need to use water with care such severe difficulties are not general as yet, and may be limited to the single factory. Meanwhile, representations have been made to the water authorities to try to ensure priority water supplies for food processing.

The poor pea harvest is all the more disappointing to growers because the crop started so well. Most were planted into copybook seed beds on schedule and germination in most places was excellent. Following the old farming maxim that "well sown is half grown" it could have been reasonably expected that yields would be good.

Infestations of aphids, pea moth and pea midge, all of which were quite severe this year, were dealt with as a matter of course. But nothing could be done about the drought, and some growers will be wondering if they were wise to invest in new machinery to deal with this year's crop.

Self-propelled pea-cutters capable of cutting 400 to 500 acres in a season now cost about £7,000 each, and viners which thresh the green peas and separate them from the pods and can deal with 300 acres a season are around £25,000. Now many growers who have made such investments face almost inevitable heavy losses.

Surplus

Processors, on the other hand, can afford to be feeling philosophical about the light crops in East Anglia. Sales of processed peas last winter were adversely affected by consumer resistance to price inflation, and the total carry-over of stocks in the cold stores of the big three—Bird's Eye, Findus and Ross—was recently estimated to be at least 30,000 tons, which represents about 25 per cent. of the whole 1975 green pea harvest. Acreages contracted to be grown for processors this spring were in any case cut by 10 per cent. from last year to avoid adding to the surplus, and sales since then have not improved.

Clearly with "mountains" of various kinds of farm produce continually building up in Europe, the last thing that is wanted in Britain is a mountain of processed peas. But the capital investment and heavy demands of labour and attention required by the crop are so great these days that farmers are forced to look critically at their growing policies—particularly if, as some have suggested, the present pattern of dry summer weather continues in future years.

Paris sugar market agreement

PARIS, June 23.

PARIS AND London sugar market authorities have reached verbal agreement covering operating conditions between the two markets, reports Reuter.

An official announcement is expected very shortly of an agreement under which the International Commodities Clearing House (ICCH) in London will take a 10 per cent. stake in the Paris Settlement Bank, for which it turned down an invitation last year.

The agreement will also signify the return to Paris of London operators and large trade from the U.S. on an arbitrage basis.

Informed sources said the return of the London operators will bring greater confidence to the Paris market which closed for more than one year following financial collapse in late 1974. London traders are keen to return despite the fact that some of them sustained financial losses in the December, 1974, crisis, they said.

The market has been operating smoothly since its re-opening in January, but at low levels of business. Before the closure, foreign participation, mainly from London, accounted for up to half the daily trading volume.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Little changed on balance on the London Metal Exchange. Opening at £926 in pre-market dealings, forward metal moved up to £932 owing to chartist buying and short-covering in a market lacking any real offerings. The price was checked at the higher level by profit-taking, however, and then it turned easier in line with other commodities following reports that the Russian grain harvest will be better than expected. In a fair two-way arbitrage business the price slipped back to end at £929 on the afternoon Kerb. Turnover 10,000 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £900, 899, 99.5, three months £930, 31, 30, 30.5, 31, 31.5, 32, 31, 32, 32.5, 32, 31.5, 31, 31.5, 32, 31.5. Three months £921, 22, 23, 22, 21.5, 21. Kerb: Three months £931, 30.5, 30, 29.5, 29, 28.5, 29, 28.5. Afternoon: Wirebars, three months £923, 23, 24, 25, 26, 25.5, 26, 25.5, 26, 25, 24.5, 24. Cathodes, three months £915, 14. Kerb: Three months £925, 24, 23, 22, 21.5, 21, 20.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	899.5-900	+8.25	891-2	—1
3 months	931.5-2	+9.5	923.5-4	—1
Settlem't	900	+9	—	......
Cathodes				
Cash	888.5-9.5	+9.25	881.5	—.5
3 months	920.5-1.5	+9.25	914.5	......
Settle'm't	889.5	+8.5	—	......
U.S. Smt.	—	......	*70	......

TIN—Touched a peak of £4,645 for forward standard metal in early trading following the further strength of the Penang market overnight where the price moved to within $314 of ceiling level of the ITC buffer stock dealing range. The buffer stock manager was thought to have been a seller in the East overnight and also in London yesterday in High Grade cash material with the contango widening to around £146 for the full period. The forward standard price came back to £4,630 on the afternoon Kerb in line with the setback in copper. Turnover 1,495 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4502-4	+51.5	4485-90	+8
3 months	4645-7	+48	4637-40	+9
S'ment	4504	+51	—	......
Standard				
Cash	4502-4	+51.5	4485-90	+8
3 months	4645-7	+49	4637-40	+9
S'ment	4504	+51	—	......
Straits E	$1199	+18	—	......
New York	—		355.75	

Morning: Standard, cash £4,500, 4,504, three months £4,640, 43, 45, 44, 45, 42, 44, 45. Late June £4,500, 3.5, 2, 4.50. Kerb: Standard, three months £4,647, 45. Afternoon: Standard, three months £4,660, 45, 40, 35, [illegible]. Standard, three months £4,630.

LEAD—Easier. Although the initial downward movement was limited by covering of earlier European physical business, prices lost ground on the afternoon Kerb with forward metal ending at £278.5. Turnover 5,600 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	269.5	—1.25	260.70	—1.25
3 months	281.25-1.5	—1.5	281.5	—1.75
S'ment	269.5	—1.5	—	......
N.Y. Spot	—	......	*21.25	......

Morning: Cash £270.5, three months £283, 82, 81.5, 82, 81.75. Kerb: Late July £271, three months 280, 80.5. Afternoon: Three months £281, 81.5, 82. Kerb: Three months £280, 79.5, 79, 78.5.

ZINC—Drifted owing to hedge selling and the afternoon easiness in other base metals. Turnover 3,750 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	419.25	—2.25	416.5	—2.75
3 months	436-.5	—1.5	436-7	—1.75
S'ment	420	—2	—	......
Prm. Western	—	......	—	......

Morning: Three months £439, 38.5, 38, 37.5, 36, 37. Kerb: Three months £438.5, 38. Afternoon: Cash £418.5, three months £436. Kerb: Three months £436, 35.5.

* Cents per pound. ‡ On previous unofficial close. ‡ SM per picul.

SILVER

Silver was fixed 1.75p an ounce higher for spot delivery in the London bullion market yesterday, at 275.45p. U.S. cent equivalents of the fixing levels were: spot 489.6c, up 3.2c; three-month 497.0c, up 3.2c; six-month 507.7c, up 3.1c; and 12-month 517.8c, up 3c. The metal opened at 274½-275½p (487-489c) and closed at 272¾-273¾ (483-485c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	275.45p	+1.75	272.75p	—1.0
3 months	284.15p	+1.75	281.55p	—2.9
6 months	292.1p	+1.6	—	......
12 months	308.5p	+1.6	291.45p	—1.6

LME—Turnover 159 (287) lots of 10,000 ozs. Morning: Three months 283.8, 4.2, 4.7, 4.5, 4.4. Kerb: Three months 283.4, 4.1. Afternoon: Three months 281.4, 1.5, 1.6, 1.7, 1.8, 1.4, 1.6, 1.8. Kerb: Three months 281.5, 1.5, 1.7, 1.3, 1.4, 1.6, 1.8, 20.5, 20.6.

COCOA

Fresh buying caused a further sharp advance until late profit-taking caused prices to ease back to overnight levels, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.6 Contract			
July	1293.0-30.0	+10.0	1287.0-278.0
September	1226.0-27.0	+7.0	1237.0-223.0
December	1166.0-68.0	+7.0	1187.0-155.0
March	1082.0-85.0	+2.0	1097.0-075.0
May	1050.0-55.0	+6.0	1065.0-050.0
July	1016.0-30.0	+1.0	1020.0
September	996.0-99.0	+1.0	983.0

Sales: 3,391 (5,268) lots of 10 tonnes.

International Cocoa Agreement indicator prices, U.S. cents per pound—Daily 87.92 (85.53); 15-day average 87.65 (86.56); 22-day average 83.61 (83.10).

FREIGHTS

DRY CARGO—Market very quiet with less interest in North American grain on North European account although a cargo was booked from Northern range to Ghent/Hamburg range at $7.10 f.i.o. for July. Other grain bookings included U.S. Gulf Casablanca at $14 f.i.o. June and U.S. Gulf Bandar Shapur at $19 f.i.o. July also from the same loading area to Japan at $10.50 f.i.o. July. In other directions a cargo of grain was covered U.S. Gulf Matarani and Antofagasta at $18 f.i.o. July. [illegible] ... range Mid East Gulf July 1-7.

COFFEE

Robusta terminal drifted lower through the day, closing at or slightly above the day's lows and £30 to £36 per tonne down compared with last night's close. The trend primarily reflected limit-down trades in New York and a continued absence of physical activity. The official closing tone was easy.

Arabicas closed dull, 100 to 350 points lower on balance.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	1525-1530	—31.0	1558-1530
September	1535-1536	—31.5	1563-1530
November	1525-1530	—29.0	1565-1526
January	1520-1522	—24.5	1555-1520
March	1510-1515	—30.0	1545-1510
May	1511-1515	—35.5	1550-1511
July	1510-1515	—34.5	1540

Sales: 3,193 (3,648) lots of 5 tonnes.

ICO indicator prices, U.S. cents per lb—Columbian Mild Arabicas 158.00 (156.00); other Mild Arabicas 153.00 (151.17); unwashed Arabicas: Santos Fours 154.50 (154.50); Robustas 154.53 (153.78). Daily average 153.72 (153.50).

ARABICA CONTRACT (in order, buyer, seller, business, sales)—July 150.00-158.00, no; August 157.00-77.00, unquoted; October 161.00-62.00, unquoted; December 162.00-63.00; February 162.00; April 165.00-66.00; June 160.00-66.00, no business.

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing on a weak note. Lewis and Peat reported a Malaysian godown price of 271 cents a kilo (buyer, July).

No. 1 R.S.S.	Yesterday's close	Previous close	Business done
July	55.00-57.00	56.00-58.50	56.00
Aug	55.00-57.00	56.25-58.75	55.80
Jly-Sept	56.00-56.10	56.90-57.20	57.00-56.00
Oct-Dec	58.35-58.40	59.50-61.00	59.50-57.65
Jan-Mar	60.40-60.45	61.50-62.00	61.90-60.45
Apr-Jne	62.40-62.45	63.50-64.00	63.90-62.25
Jly-Sept	64.30-64.40	65.75-64.85	65.75-64.60
Oct-Dec	66.00-66.20	67.40-67.60	67.40-66.20
Jan-Mar	67.85-68.00	69.10-69.30	68.75-68.00

Physical closing prices (buyers) were: Spot 56.5p (57.0); July 59p (61.75); Aug. 58.75p (62.75).

SOYABEAN MEAL

Prices teased this morning on trade selling, reflecting disappointing stocks. The prices moved lower during afternoon on weaker Chicago and news of beneficial rains to the U.S. Mid West. Some trade short-covering helped prices to rally slightly at the close, reports SNW Commodities.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
August	146.50-48.5	—7.0	
October	150.50-52.0	—6.0	141.40-39.50
December	148.50-48.5	—5.75	149.00-45.50
February	149.00-49.5	—6.0	149.50-47.50
April	147.50-48.0	—5.0	—
June	146.00-52.0	—7.0	152.00

Sales: 325 (441) lots of 100 tonnes.

GRAINS

MARK LANE—Prices held generally steady in light speculative activity. Sept. deliveries of milling wheat traded to the London area at £74.75 per tonne and Oct.-Dec. at £78.25 while East Anglia paid £77 for Oct.-Dec. deliveries of denaturable quality. The following are average sellers quotations per tonne for delivery London area: Milling wheat: July £81, Oct.-Dec. £82.75; Denaturable July £80, Oct.-Dec. £81.75; Barley: Sept. £78.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. £73.55, Nov. £76.75, Jan. £79.55, March £81.85, May £84.20. Business: Sept. £71.65-[illegible] £77.10, Nov. £75.70-£76.20, Jan. £79.05-£79.10, March £82.00-£81.30, May £84.55-£83.55.

Barley, steady. Close: Sept. £72.70, Nov. £75.95, Jan. £78.75, March £81.70, May £83.20. Business: Sept. £71.00-£72.40, Nov £75.90-£75.45, Jan. £79.00-£77.50, March £81.20-£81.15, May £83.00.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent.: Aug. £103.50, Sept. £106 direct Tilbury sellers: transhipment East Coast sellers. [illegible]

Maize—No. 3 Yellow American/French option June £79.35, first-half July £73.75 trans-shipment East Coast sellers.

Barley—EEC feed-Canadian No. 2 feed option June £73.50 East Coast; first-half July £74.25, second-half July £73.75 transhipment West Coast.

HGCA—Location ex-farm spot prices. Feed barley—Hertford £74.00.

EEC DAILY IMPORT LEVIES and premiums effective for June 24 in order current levy plus July, Aug. and Sept. premiums, with previous in brackets, in Units of Account per tonne: Common wheat—95.14, rest nil (95.46, rest nil); Durum wheat—97.84, rest all nil (same); Rye—84.10, rest nil (same); Barley—74.89, rest nil (77.07, rest nil); Oats—76.56, rest nil (all same); Maize (other than hybrid for seeding)—80.16, rest nil (79.55, rest nil); Buckwheat—4.00, rest nil (all same); Millet—79.30, rest nil (all same); Grain sorghum—79.61, rest nil (80.35, rest nil). Also for flours: Wheat or mixed wheat and rye—71.64 (69.61); Rye—77.39 (77.39).

SUGAR

LONDON DAILY PRICE (raw sugar) £173 (£177) a ton c.i.f. for June-July shipment. White sugar daily price was fixed at £195 (£199).

First trades were slightly below overnight levels, but over the remainder of the session the market gained ground, although in very quiet conditions to finish at the highs of the morning, C. Czarnikow reports. The gradual upward movement continued over most of the afternoon, but hedge selling pressure following the EEC tender caused all the gains and the market closed near the lows of the day.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
Aug	182.00-82.15	181.75-82.25	186.50-81.00
Oct	185.60-85.75	185.25-85.75	188.50-85.75
Dec	188.55-88.70	188.50-88.75	189.75-88.55
March	190.50-90.60	190.25-90.75	192.00-90.05
May	191.75-91.85	191.50-91.75	193.00-91.25
Aug	192.25-92.50	192.00-92.50	194.00
Oct	192.00-92.50	191.50-91.50	—

Sales: 1,892 (3,679) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £214.70 (same) a tonne for home trade and £232 (£227) a tonne for export.

EEC IMPORT LEVIES effective June 24, in Units of Account per 100 kilos (previous in brackets). White 5.60 (5.95); Raw 4.40 (4.67).

WOOL FUTURES

LONDON—Market steadier in quiet trading session.

(Pence per kilo) Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
July	206.0-212.0	+2.5	206.0
October	218.5-219.0	+1.75	219.0
December	218.0-219.0	+1.5	219.0
March	215.0-220.0	+2.0	215.0
May	218.0-220.0	+1.5	220.0
July	218.0-220.0	+1.0	218.0
October	218.0-223.0	+2.0	—

Sales: 41 (59) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business, sales)—Micron Contract: July 298.5-302.0, [illegible]. Sales: 564.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 42.0 to 46.0; English hindquarters 54.0 to 58.0; Ulster hindquarters 52.0 to 54.0, forequarters 29.0 to 30.0; Eire hindquarters 54.0 to 58.0, forequarters 28.5 to 30.0.

Veal: English fats 40.0 to 51.0, Scotch hobbies 23.0 to 32.0, Dutch hind and ends 63.0 to 65.0, special quality 68.0.

Lamb: English small 36.0 to 44.0, special quality 45.0, medium 38.0 to 42.0, heavy 38.0 to 40.0; Imported frozen: NZ PL 39.6 to 39.5, PM 37.0 to 37.5, PH 32.6 to 34.5.

Ewes: 15.0 to 21.0.

Pork: English, under 100 lbs 28.0 to 35.0, 100-120 lbs 27.5 to 34.0, 120-160 lbs 27.0 to 33.0, 160-180 lbs 26.0 to 30.0, 180 lbs and over 27.0 to 29.0.

MEAT COMMISSION—Average fatstock prices at representative markets on June 23: GB—Cattle 50.29p per live cwt (-0.74). UK—Sheep 47.7p per lb estimated dcw (+4.1). GB—Pigs 54.4p per lb lw. [illegible] [illegible]

COVENT GARDEN (prices in sterling)—Imported produce: [illegible]

[illegible]

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for shipment: BWB £224, BWC £212, BTD £206. Calcutta goods firm. Quotations c. and f. U.K. for June shipment: 10-oz 40in. £9.75, 7½-oz £7.31 per 100 yards. July £9.80 and £7.34. Yarn and cloth prices very firm.

LONDON—Steady. Bangladesh White "C" grade June-July £255. "D" grade June-July £247. A long ton.

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 975 tonnes, bringing the total for the week so far to 1,427 tonnes, F. W. Tattersall reports. Additional support came in a number of varieties, mainly in Middle Eastern and North American growths. Occasional business was done in East African and South American types.

HIDES—Leeds. Slightly firmer. Second clear ox 31-35 kilos 46.6p per kilo, 26-30.5 kilos 49.8p, 22-25.5 kilos 51.1p. Light cows 37p. No calf offered.

COPRA—Philippines: July $350 (same), Aug. £235 (same) reseller per tonne, c.i.f. North European ports.

GRIMSBY FISH—Supply good, demand fair. Prices per stone at ship's side (unprocessed): Shelf cod £3.00-£3.70, codlings £1.90-£2.40; large haddock £2.50-£3.00, medium £2.00, small £1.50-£1.80; large plaice £2.80, medium £2.50, best small £2.30-£2.50; skinned dogfish £3.20, large £3.60; lemon soles (large) £5.20, (medium) £4.00; saithe £1.60-£1.90.

PRICE CHANGES

Prices per ton unless otherwise stated.

	June 23 1976	+ or —	Month ago
Metals			
Aluminium (a)	£456	......	£456
Free Market (cif)	$910-930		$475-480
Copper			
Cash Wire Bars	£891.5	—1.0	£850
3 months do. do.	£923.75	—1.0	£879.75
Cash Cathode	£881.5	—0.5	£840
3 months do.	£914.25		£870
Gold	$124.875	—0.875	$126.125
Lead Cash	£269.5	—1.25	£272.5
3 months	£281.25	—0.875	£282.75
Nickel	£2,778		£2,552.5
Free Market (cif) (lb.)	$2.02-12		$2.05-.02
Platinum troy oz.	£94-102		£86.5-94
Free market	£95.65	—2.5	£99.65
Quicksilver (76 lbs.)	$85-88		$77.82
Silver troy oz.	275.45p	+1.75	252.7p
3 months	284.15p	+1.75	260.8p
Tin Cash	£4,487.5	+8.0	£4,330
3 months	£4,638.5	+9.0	£4,442.5
Wolfram 22.04lb. cif	$98-93		$90-92
Zinc Cash	£416.75	—2.75	£429
3 months	£436.5	—1.75	£444.75
Producers	$795		$795
Oils			
Coconut (Malayan)			
Groundnut			
Linseed Crude (r)	£419		£371
Palm Malayan	£350		£347
Seeds			
Copra Philippines	£250		£230
Soyabean (U.S.)	£202	—6.0	£180
Grains			
Barley EEC	£72.5	+1.0	£73
Home Futures	£75.7		£69.7
Maize			
French No.3 Am.	£76.35	+1.5	£75.7
Wheat			
No.1 Red Spring			
No.2 Hard Winter			£91.8
English Milling	£81	+1.0	£77
Cocoa Shipment	£1,335	+12.0	£1,250
Future Sept.	£1,226.5	+7.0	£1,195.5
Coffee Future			
Sept.	£1,535.5	—31.5	£1,487.5
Cotton 'A' Index			71.55c
Jute UK BWC	£212		£216
Rubber kilo	56.5p	—0.5	50.5p
Sisal	£253		£600
Sugar (Raw)	£173	—4.0	£191
Woottops 64s kilo	264p		255p
Cloves (Madagascar)	£3,400		£3,400
Pepper White	£1,140		£1,570
Black	£945		£885

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ¶ Indicative price. a Seller's quotation. b Sellers. c Commonwealth refined. d Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents per pound. e Cotton outlook "C." f Jan.-March. z Sept. n Metric tons.

FINANCIAL TIMES

June 23	June 22	Month ago	Year ago
232.27	234.25	222.99	157.90

(Base: July 1, 1952=100)

REUTER'S

June 23	June 22	Month ago	Year ago
1525.9	1525.4	1466.6	1057.8

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	June 22	June 21	Month ago	Year ago
Spot	357.82	358.92	342.45	264.4
Futures	358.48	361.08	349.97	264.25

(Average 1924-25-26=100)

MOODY'S

Moody's	June 22	June 21	Month ago	Year ago
Spot Commodity	963.5	958.0	927.0	751.6

(December 31, 1931=100)

U.S. Markets

Silver and copper fall sharply

NEW YORK, June 23.

COPPER and silver closed sharply lower on Commission House liquidation and stop-loss selling in sympathy with lower grain markets. Grains closed sharply lower with soyabeans and meal limit down on higher than expected USDA Russian grain crop estimates and weaker cash markets. Coffee finished limit down on Commission House selling, Bache reports.

Cocoa—Ghana spot 109½ (110). Bahia spot 105½ (104). July 96.80 (99.25), Sept. 94.82 (95.50), Dec. 84.82, March 80.28, May 78.65, July 75.65, Sept. 71.60. Sales: 1,591.

Coffee—"C" Contract: July 151.60 asked (154.60), Sept. 152.28 bid (155.28), Dec. 148.35 asked, March 144.25 asked, May 143.05 asked. Sales: 825.

Copper—June 70.90 (71.90), July 70.90 (72.00 settlements), Aug. 71.50, Sept. 72.10, Dec. 73.90 settlements. Sales: 9,000.

Cotton—No. 2: July 77.50-77.75 (77.90), Oct. 78.70-79.20 (78.15), Dec. 76.25-76.60, March 75.00-75.20, May 72.70, July 70.75-70.80 asked, Oct. 66.85-67.00 asked, Dec. 67.25. Sales: 6,650.

‡Gold—June 125.00 (125.20), July 125.10 (125.30), Aug. 125.60, Oct. 126.90, Dec. 128.30, Feb. 129.60, April 131.40, June 133.00, Aug. 134.60, Oct. 136.20. Sales: 1,653.

Greasewool—Spot 181.0 nom. (same). July 175.0-181.0 asked (174.0), Oct. 179.0-183.0 asked (179.0), Dec. 180.0-184.0 asked, March 180.0-185.0 asked, May unquoted.

†Lard—Chicago loose 17.50 nom. (17.75 nom.). NY prime steam 19.00 asked (18.75 asked).

††Maize—July 293½-297 (304½), Sept. 299½-296½ (296½), Dec. 282-282½, March 290-290½, May 294-294½.

‡Platinum—July 172.10 (175.80), Oct. 176.10 (177.80), Jan. 179.50, April 182.50, 183.00 asked, July 186.90, Oct. 188.60. Sales: 782.

‡‡Silver—Spot 483.30 (490.00), June 476.90 (491.40), July 477.00 (491.50), Aug. 478.60, Sept. 480.70, Dec. 487.70, Jan. 490.10, March 494.90, May 500.00, July 520.00, Sept. 510.70. Sales: 22,120.

*Soyabeans—July 635½ asked (655½), Aug. 639½ asked (659½), Sept. 643 asked, Nov. 645½, Jan. 653½ asked, March 661 asked, May 665 asked, July 667 asked.

§Soyabean Meal—July 188.50-188.70 asked (193.50), Aug. 188.70-186.70 asked (188.70), Sept. 188.70 asked, Oct. 188.70-188.50 asked, Dec. 189.00-186.50, Jan. 189.00, March 190.00, May 190.00-190.50, July 192.00-193.00 asked.

Soyabean Oil—July 18.40-18.50 (18.63), Aug. 18.55-18.60 (18.82), Sept. 18.70, Oct. 18.75-18.80, Dec. 19.00-19.05, Jan. 19.15, March 19.20-19.30 asked, May 19.30-19.35 asked, July 19.50.

Sugar No. 11—Spot 12.70 (same). July 12.33-12.72 (12.71), Sept. 13.22-13.11 (13.17), Oct. 13.45-13.60, Jan. 13.86 nom., March 13.54-13.92, May 13.90-13.60, July 13.56, Sept. 13.56 nom., Oct. 13.96-13.97. Sales: 4,217.

Tin—363.50-365.00 asked (363.00-365.00 asked).

**Wheat—July 363-363½ (367½), Sept. 372-372½ (375½), Dec. 386½-385, March 396½.

WINNIPEG, June 22. ††Rye—July 295 bid (301 bid), Oct. 259 (297½), Nov. 282 nom., Dec. 294½ bid.

††Oats—July 149½ bid (150 bid), Oct. 149½ bid (152 asked), Dec. 147 bid.

††Barley—July 219½ bid (225 bid), Oct. 218½-219 (223 asked), Dec. 215 bid.

§Flaxseed—July 722 bid (745), Oct. 725 asked (733 asked), Nov. 735 asked, Dec. [illegible]

††Wheat—SCWRS 13.5 per cent. protein content St. Lawrence [illegible]

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce—100 ounce lots. † Chicago loose $ per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per 56 lb. bushel ex-warehouse, 5,000 bushel lots. § $ per troy ounce for 50 ounce units of 99.9 per cent. purity delivered NY. ‡‡ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $ a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. †† Cents per 60-lb. bushel in store. ** Cents per 60-lb bushel. †† Cents per 48-lb bushel ex-warehouse. §§ Cents per 56-lb bushel ex-warehouse. ‡‡ Cents per 24-lb bushel. § Cents per 36-lb bushel ex-warehouse, 1,000-bushel lots.

Paul Cheeseright reports on BBC External Services

Cut-back time at Bush House

IRONICALLY. AT a time when the U.K. most needs international understanding, one of the most significant instruments for achieving it can no longer act with full vigour. The BBC External Services have succumbed to the recession, an unsung victim of constrained Government expenditure.

Dependent on a Grant-in-Aid from the Treasury, the External Services receive no funds from the licence money collected for the BBC by the Post Office. They are therefore at the mercy of changes in Government policy. Like other public bodies they have searched and are searching for economies, and this has meant a reduction in their ability to broadcast to the world.

The BBC External Services are effectively the Voice of Britain. A staff of 3,000, mainly based in London, prepares programmes in 39 languages, from English to Urdu, from Bengali to Turkish and from Bulgarian to Thai, and transmits more than 700 hours of broadcasting a week on to the air waves.

The purpose of the broadcasting, defined by charter and refined by 40 years of practice, is to reflect the British national interest construed in the widest sense. This is not to suggest that the main interest is propaganda in the sense that, say, the Soviet Union or Chinese broadcasting organisations promote a declared political line. It is to suggest that while the U.K. might be painted warts and all, the warts have a protective colouring of powder.

The BBC's 1975 annual report provided an example of this when dealing with the External Services' coverage of the oil crisis, the miners' strike and the three-day week at the beginning of 1974. "Much of the reporting of the country's internal predicament in foreign newspapers and on foreign television screens was of a highly sensational and exaggerated nature, and it fell to External Services to provide an antidote in the shape of sober and factual reporting of the crisis as it developed, and to place U.K. domestic problems in proper perspective, a not unimportant task in a situation in which the country's international reputation and more particularly its credit worthiness, were vitally at stake."

But the national interest goes deeper than this. Because of the service to democracy and, with it, freedom of information, the BBC External Services lay exemplary stress on the accuracy of untainted news and balanced comment. It is on this that it has founded its international reputation.

The Treasury Grant-in-Aid for the year to March 31, 1975, was £20.54m. and for the year to *March 31, 1976, £25.5m. A cut* of £288,000, announced last year for the current financial year has caused the shutdown of the Sinhala service and the reduction of broadcasts in Arabic, Bulgarian, Chinese, French, German and Romanian.

Revenue

Further financial cuts are planned for the period between April 1977 and March 1980 which mean that anticipated revenue will drop by £1.3m. This is a result of the review of Government expenditure earlier this year. But the BBC had already been asked for capital cuts amounting to £1.75m. in 1974-75, representing a 20 per cent. cutback in planned expenditure.

In past years the original Grant-in-Aid has been effectively increased through supplementary estimates, which have been met by the Foreign Office. These have covered the cost of inflation. This year, however, any excess will have to be found by the BBC itself, and this can only mean cuts. Revenue outside the Grant-in-Aid is minimal.

The cuts are harsher than the mere figures might suggest, simply because of the effect of inflation. About 70 per cent. of the BBC External Services costs come from production and staff expenses and a further 10 per cent. from artists' fees. A period of wage restraint until the summer of 1977 is obviously helpful to the budget, but after that the position becomes less clear.

At the same time, the cuts imposed on the BBC External Services are not as severe as on other areas of Government expenditure and this is acknowledged at the BBC. Part of the explanation for this gentle treatment lies in an appreciation of the worth of the BBC activities. But another part lies in the implicit ability of the BBC to garner support in Parliament. The BBC does not have an orchestrated lobby but it does have friends. One is Mr. Jack Ashley, who was quick to ask a question in Parliament about rumoured cuts in the Grant-in-Aids in March 1974.

Certainly the BBC would resist any attempt to cut expenditure further. Its competitive position among the world's broadcasting organisations has already been impaired. In 1950, the BBC had the world's most extensive external broadcasting organisation. In terms of hours broadcast, the BBC is now outstripped by the USSR, the U.S., China and West Germany. Egyptian output is not far behind that of the BBC.

A global figure of BBC listeners can only be a rough estimate, but earlier this year, Mr. Gerard Mansell, the Managing Director of BBC External Services, in a published lecture, did venture a guess.

"Very careful, very cautious calculations, extrapolating from known figures give us a regular audience—*that* is listening once a week or more—in English of 28m., and in the vernaculars of 41m., making a total regular BBC audience, world-wide, of 69m. And if you add to those the occasional listeners, who are important because in times of crisis occasional listeners become regular listeners, then your grand total reaches about 132m."

Quality

Whether this matters or not depends on a view taken as to whether the U.K., and through it the BBC, has anything that is worth saying to the world at large. Arguably, any medium of communication that creates a sympathetic understanding of the U.K. in difficult times and that presents an objective view of a world in which it is calculated that 80 per cent. of mass communications are under political control, is worth having.

Mr. Gerard Mansell, Managing Director of BBC External Services: an audience of 69m.

Accepting this assumption, then the BBC's position among international broadcasters is dependent on two factors. The first is the technical quality of its broadcasts, that is whether they can be heard. The second is the quality of its programmes, that is whether what is being heard is worth listening to.

The restrictions on the Grant-in-Aid affect both of these factors. Technical quality, the strength of the BBC's signal, is handicapped by slow progress on modernising transmitters. Programme quality has diminished as a result of having less funds to spend.

Only half of a transmitter modernisation programme agreed 10 years ago has been carried out. In Cyprus, the BBC has two transmitters of 100 kilowatts and one of 50 kilowatts. These are now "outgunned" as the BBC puts it, by competitors from Egypt, Israel, Libya, Sudan and Turkey, who are able to broadcast with ten times more power in some cases. The BBC needs modernisation for its coverage of the Middle East, more than ever an area of importance.

Specifically, the BBC does not have the cash to commission enough experts to take part in its programmes. It is not able to deploy the amount of foreign correspondents it wants; they are needed in Iran, West Africa and Latin America. Foreign travel for programme producers has been cut back, thus denying them contact with the regions to which they broadcast.

There has been a reduction in the supply of Arabic programme material for the Middle East. And it is conceded at Bush House that the general reflection of British life outside the London area is inadequa[te]. "The bread is showing throug[h] the butter," says Mr. Mansell.

Savings have been effecte[d] in the level of technical an[d] supplementary services, and th[e] use of staff resources has bee[n] intensified. This might be n[o] bad thing. It has been observe[d] in the past that the BBC ha[s] often been better at attractin[g] talent than using it.

World Service

There comes a point, howeve[r], when economies can only lea[d] to the elimination of comple[te] transmissions. The Engli[sh] language service—the Worl[d] Service — which broadca[sts] around the clock, is left u[n]touched. The axe falls on th[e] language services as it did wi[th] Sinhala last April. No furth[er] cuts are planned, for th[e] moment.

Whether to cut broadcastin[g] time is not in any case co[m]pletely within the BBC's powe[r]. Decisions on the extent [of] broadcasting time and in wha[t] language a broadcast schedu[le] will be made lie with th[e] Foreign Office. This is a demonstration of the quasi-offic[ial] function of the BBC, althoug[h] it needs to be stressed that th[e] BBC maintains editorial inde[pendence].

Contacts between the BB[C] and the Foreign Office rema[in] informal, except at times [of] stress when BBC interes[ts] clash directly with those of th[e] Foreign Office. That op[en] clashes are generally avoided because of the informalit[y] rather than the coalescence [of] interests. The Foreign Office [is] in the business of manipulatio[n], the BBC is in the business [of] objectivity. It is that consciou[s] attempt to achieve objectivit[y] that sets it apart from its rivals.

BUSINESS BOOKS

هكذا من الأصل

People and systems in U.S. banking

The Bankers by Martin Mayer. W. H. Allen. £10.00, 530 pages

MOST people in the U.K., ...of the big banks is pretty ...ch like another. There are ...differences in, for ...ple, levels of charges. And ...time to time the spirit of ...petition appears — usually ...a brief period only—with ...bank offering cheaper loans ...n another. For the most ...t, though, the services they ...vide are similar and the ...pression they give is of a ...ait group of institutions ...ich tend to move very much ...step with each other.

The U.S. offers much greater ...ersity. Because of its bank...laws there is a far greater ...mber of banks. They range ...m international giants like ...k of America and Citibank ...n to tiny local banks serving ...mall community and often ...trolled by a single indi...ual. There has also been ...ater public interest in the ...ities of the banks than has ...n the case in the U.K.

...spicion of money men is ...ply engrained in the ...erican consciousness and no ...bt has something to do with ...vehemence with which discussion of banking supervision has been conducted and the extent to which banks have been a political issue. This background may have contributed to the success of Martin Mayer's book on banking which has been a best-seller on the other side of the Atlantic.

The author's own skill as a reporter, however, has been the main factor contributing to the book's attraction to the general public.

It is no accident that the book is called *The Bankers* rather than the banks, for it is part of the author's technique to plunge the reader into the subject not through his own opinions on the subject but through those expressed by its leading participants. In the U.S. context, moreover, some of these individuals are uncommonly colourful in their views and comments. The *book brings home the extent to* which the development of banking has been shaped by people rather than by events, and how a single man can influence the character of even the biggest institution. The book is studded with quotable quotes from people like Walter Wriston at Citibank and Gaylord Freeman of First National Bank of Chicago who as a young man argued "banks offer an opportunity to an educated, personable, but uncourageous young man, for a pleasant, interesting dignified life."

That comment was followed up with the sting: "One of our major jobs is to avoid the employment or advancement of such men." And this sums up one of the main themes of the book, that the past ten years has seen what Mayer calls a "revolution" in banking—apparent, for example, in the extent to which bankers have found it necessary to overcome their built-in reluctance to discuss their affairs and enter the public arena. Ten years ago, the author aptly remarks, the book could not have been written "because until bankers had to raise money in the market they had no interest at all in talking to reporters."

As this suggests, though, the book is a great deal more than straight reporting. Mayer has a talent for interpreting an environment which sets the descriptions of how the banks work and of the personalities involved against the background of a general theme. This theme is that the revolution has brought changes in banking to which the bankers themselves, as well as economists and legislators, have not yet entirely adjusted. And, he argues, the past couple of years have seen the beginnings of the "counter-revolution" as the frightening experiences of bank collapses and loan problems have introduced a renewed note of caution.

Michael Blanden

New standards for an oligopoly

Pricing in the Electrical Oligopoly Vol. 2 Business Strategy, Ralph G. M. Sultan, Harvard University Press £11.90

A PERSISTENT strand in U.S. antitrust policy is that highly concentrated industries, where two or three large companies *dominate the market*, are by definition against the public interest; wherever possible steps should be taken to "de-concentrate" them. What has been missing is detailed analysis of whether the performance of these industries justifies the prejudice against them. Mr. Sultan's study of the turbine generator industry in the U.S. (the first volume of which was reviewed in the Financial Times on April 25, 1975) represents an important attempt to fill this gap.

The *most striking feature* of Mr. Sultan's study is that despite the presence of only three companies, General Electric, Westinghouse and Allis-Chalmers (the last of which subsequently dropped out of the business), competition between them was highly effective in stimulating technical advance and better service to the consumer. General Electric was easily the market leader (it generally aimed for about 60 per cent. of the business), but the strategy it adopted to maintain its leadership—the way it planned its investment in new capacity, for example, and its approach to research and development—was not destructive of competition, but rather exerted a powerful stimulus on the other companies.

Mr. Sultan shows that what *mattered to the utilities* was not the frequency with which prices moved up or down, but the extent to which the products offered by the manufacturers made possible a steady reduction in their own operating costs. Antitrust doctrines which stem from 19th century concepts of competition are quite inappropriate for industries like turbine generators and computers.

In these industries, says Mr. Sultan, "policies which are aimed at the encouragement of maximum price competition for to-day's products can actually hinder the pursuit of rapid, low-risk technological change for to-morrow's products."

The turbine generator industry is a classic illustration of economies of scale: Allis Chalmers, with 10 per cent. of the U.S. market, was unable to compete because its costs were too high. Mr. Sultan suggests that the world can probably support economically about six producers in this field—two in *the U.S., one in Russia, two in* Western Europe and one or two in Japan—though economic nationalism might distort this picture.

The most curious feature of the U.S. heavy electrical industry is that, because of the famous price-fixing conspiracy and the subsequent imprisonment of several senior executives, it became notorious as a cartel. Of course the price-fixing was blatantly illegal and Mr Sultan does not condone it. But he argues that high-growth, high-technology industries should be judged on the basis of performance under such criteria as technical innovation, productivity growth and cost reduction. Public policy, instead of concerning itself with the trappings of competition, should concentrate on defining appropriate standards of performance and ensuring that oligopolists live up to them.

Geoffrey Owen

A dip into design

Talk About Design, by James Pilditch. Barrie and Jenkins. £6.

MANAGEMENT has never really come to terms with design. There is a feeling that good design can improve sales, and thence profits, but the voice of the designer does not feature very prominently around boardroom tables. Indeed, in most companies, even those producing packaged goods which claim to be converts to the marketing approach, design is contracted out to numerous small studios or else is handled by the advertising agency.

And yet a fair proportion of the housewives' shopping budget goes on impulse purchases, stimulated by an *interesting looking pack, and even* in the capital goods area it can be an improved design which distinguishes a product from *the basically indentical* competition. No one has yet been able to measure how important design is but I feel it should be taken more seriously.

As chairman of Allied International Designers, one of the largest design groups in what is still very much a cottage industry, James Pilditch obviously agrees. To read this collection of 43 papers it would be easy to get the impression that design is marketing and the answer to the national malaise. But then this is a very well designed book.

The pictures may be poor, many apparently deriving from Allied's old assignments, but the layout and literary style are easy on the eye and on the brain. This is quite an achievement since all the chapters are rehashes of articles and speeches which appeared over the past ten years.

Pilditch is at his best when writing on corporate design, which has been taken up in recent years by most large American companies but is still done half-heartedly in the U.K., despite the fact that companies that have taken the plunge, like ICI, Fisons, and Bovis, have done well from the venture, not least in raising their share price.

In contrast, he never really gets to grips with packaging, despite the interesting examples of easy savings and quick profits that can follow from new packs. But then it is that kind of a book, worth dipping into, dotted with good ideas, but so loosely constructed and ill-planned that it embodies the design industry itself — a mass of inspiration, sometimes misguided, sometimes worthwhile, vainly seeking *some kind of structure on which* it can build a solid foundation.

Antony Thorncroft

Barricades for one class

The Middle Class by Patrick Hutber. Associated Business Programmes, London, £3.95

THE SINGLE most debilitating aspect of the British disease is *class conflict*. This has been plain for most of the post-war period, and it has been plainer still since 1964, when the bickering first began to turn really nasty. The British-born have *an extraordinary propensity* to hide this, our nation's hunchback, *from themselves*; it is nearly always outsiders who are most taken by it, and it is rare for anyone but an outsider to point and say, "there, that is your trouble."

Yet who can doubt it? The struggle between the political activists who help to shape Conservative and Labour party policies is the bush warfare of class antagonists. The *determined assaults made by* the more militant trade unionists, and the feeble resistance put up by the other side, are, in essence, all part of a continuing war of attrition.

This struggle has had many unpleasant and wasteful effects, as can be seen everywhere to-day, in policies for the schools, housing, taxation, union laws, and so on. But not every change has been unpleasant or wasteful: the case for an improvement in the condition of the worse-off and larger half of the community has always been cast-iron. *Indeed, our upper and middle classes should be grateful for one thing:* capital gains tax, and gifts tax, and even comprehensive schools are all a great deal easier to bear than the tumbrils. It has not been a violent revolution, even if at times it has been a *mean one*.

Mr. Hutber misses all this; it seems to be outside his mental horizons. A really useful contribution might have been a book going through all possible policy changes and suggesting, in each case, how class warfare might be minimised, or ended. *We will always have classes*—every society does — but in Britain the problem is the intensity and the self-destructiveness of the struggle between them.

The fact that the opponents of Mr. Hutber's chosen class seem to have had more than a fair share of victories in recent years is no reason to produce a tract that simply sets out to prolong the war. The true national interest requires something more profound than that: policies that take the sting out of the phrases "working *class" and "middle class" by* promoting both social mobility and individual freedom.

Some of the reforms that Mr. Hutber apparently desires might fit into such a conception of what ought to be done. Education vouchers, for example, are worth a trial. Some of the burdens heaped upon the self-employed hurt all classes. The development of "informed" rather than "merely inflamed" local opinion is a desirable means of improving local government (assuming there is local government for much longer). But the book as a whole is a dis-service to our society because it stands behind the barricades on behalf of one class. Fortunately, I do not think many people will take it seriously.

Joe Rogaly

Pitfalls of computers

Computer Applications in Management, edited by John R. Birkle and Ronald Yearsley. Associated Business Programmes, £6.95.

Computers and Commonsense, by Roger Hunt and John Shelley. Prentice/Hall International, £2.50.

Making Computers Pay, by John Graham in the Unwin Professional Management Library. George Allen and Unwin, £5.75.

Integrity and Recovery in Computer Systems, by T. K. Gibbons. Sponsors: National Computer Centre and LSE. NCC Publications and Hayden Book Company, £4.50.

The People Side of Systems, by Keith London. McGraw Hill, £6.25.

Choosing and Keeping Computer Staff, by Anthony Chandor. George Allen and Unwin, £6.25.

IT IS not only the public sector which has computer disasters. The much-publicised chaos at the new vehicle records centre in Swansea is just the tip of an iceberg of disappointed hopes and wasted financial resources, in private industry as much as in Government.

To quote page one of a book published earlier this month: "Many computer installations are uneconomic and frequently serve as a smokescreen behind which the user attempts to conceal his own inadequacies as a manager." After more than a decade of widespread use in business, it is significant that a computer expert still feels he must warn that "the acquisition of a computer .... must be cost justified and its use must contribute towards the profitability of the company."

From the continuing flood of books on data processing, the six selected here complement each other in advising managers how to avoid a range of pitfalls, psychological and organisational as well as technical and financial.

The quotations are from Computer Applications in Management, a compendium of contributions from nine practising managers. Three chapters provide an ABC of the computer (and its attendant jargon), and five give potted descriptions of how computers can be used to increase the efficiency of different management activities: controlling the flow and use of money, managing the customer and so on.

Even more general is Computers and Commonsense, which fills out more of the terminology and concepts, and adds some interesting history, as well as a summary of some of the best-known computer languages. Though intended primarily for college students, it should be read by everyone in business who is confused by computers, or is over-confident of the subject.

Making Computers Pay provides the most detailed single pitfall-guide. From the hundreds of separate tips, three exemplify the value of the book to the most general of managers, even though it inevitably tends in places towards detailed systems analysis. Tip one: "The benefits claimed for any new system must be supported by the line managers who are going to be responsible for (it). Tip two: Projects which appear to have marginal benefits only should be abandoned, since development or operational costs could well rise to offset the benefits. And three: That companies should be particularly cautious before committing themselves to a management information system —known in the trade as an MIS, and basically a complex multi-purpose system, by contrast with the simpler variety which is "dedicated" to one particular task or department.

The other three books are more technical, but contain substantial sections of general interest and readability. Integrity and Recovery in Computer Systems is a contribution to the (often belated) realisation of users that computer systems must be highly reliable. The core of the book is for systems designers, but the first two and the last chapters are of wider appeal.

A forthcoming volume from the same stable on Human Problems of Introducing Computer Systems will augment the message of the last two books, which concentrate on people. The first third of The People Side of Systems is of general interest, especially for its examination of the theory and practice of people at work. Choosing and Keeping Computer Staff pinpoints a problem faced by every employer with a computer: how, in an employee's market, to attract and retain the people on whom his system will undoubtedly depend. The book is particularly useful on the relationship between data processing departments and the rest of an organisation.

Christopher Lorenz

In brief . . .

Elements of Finance for Managers, by B. K. R. Watts, M & E Handbooks, £1.50—a guide for those without a grounding in finance.

Case Studies in Decision Analysis, by P. G. Moore, H. Thomas, D. W. Bunn and J. M. Hampton. Penguin Books, £1.25—A look at situations in large and small organisations.

Financing Economic Development, by A. P. Thirlwall, Macmillan, £1.75—A study based on the main analytical models used by economists.

STOCK EXCHANGE REPORT

Equity leaders ease as low level of activity persists

Share index down 2.5 at 382.3—Long gilts make headway

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jun. 14	Jun. 24	Jun. 25	July 6
Jun. 28	July 8	July 9	July 20
July 12	July 22	July 23	Aug. 3

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

What little interest there was in stock markets yesterday again centred chiefly on British Funds. In contrast to Tuesday, the emphasis switched to the later maturities where demand for the long "tap" stock, Exchequer 13¼ per cent., 1996, left the closing price ¼ better at 94⅝ after the Government broker had ceased to sell stock at 94½. Other gains in this area ranged to ¼, while medium-dated issues were similarly better. Short-dated issues, however, closed with fractional losses. The Government Securities Index improved 0.11 further to 62.89.

Elsewhere, the main event of the day was the announcement that Burmah Oil had placed through the market just under 3m. British Petroleum shares at an average price of 595p to raise approximately £17.8m.; Burmah Oil closed unchanged at 41p after 43p. Little of consequence occurred in the equity leaders, a fall of 2.5 to 382.3 at the close of the FT 30-share index, mainly reflecting scattered offerings and the lack of support.

Long "tap" active

There were few changes in second-line equities, but several Shipbuilding issues edged higher on compensation hopes following the Government's decision to reintroduce the Bill next week to nationalise the industry. The overall trend was downwards, with falls in a majority by nearly 2—1 over rises in FT-quoted Industrials and a minor fall (0.5 per cent.) in the FT-Actuaries All-share index at 157.43. Official markings of 4,315 compared with 4,140 on Tuesday.

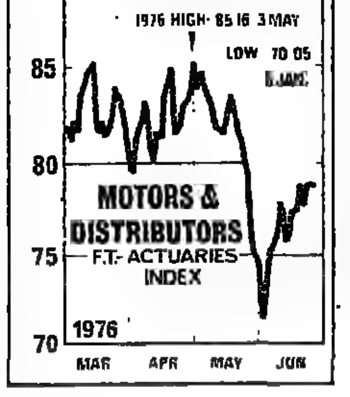
The undoubted feature of British Funds was the switch in interest from the short to the long "tap." Soon after the opening it became apparent that there was a sizeable demand for the stock, Exchequer 13¼ per cent., 1996, and the Government broker subsequently withdrew his selling level of 94½ and, when tested, was not operative at 94⅝. This allowed the market price to rise to 94¾ before a slight easing late to 94⅝. Other longs and medium-dated maturities followed with gains to ⅜, but the shorts were overshadowed and, after improving initially, drifted back to close marginally easier; a few of the longest issues resisted the trend. The prediction that European interest rates could rise later this year failed to make any impact on sentiment.

Very quiet for most of the day, the investment currency market became a little more busy near the close when the premium fluctuated between 116½ and 118½ per cent. before settling at 117½ per cent., down ½ on the overnight rate. Yesterday's SE conversion factor was 0.6716 (0.6712).

Among Recent Issues, Automated Security (Holdings) had a much quieter day, easing ½ to 91p.

A strike threat by 10,000 bank employees over a pay row from next Monday unsettled Irish banks, which fell away on small selling and lack of support; Bank of Ireland shed 12 to a 1976 low of 265p, while Allied Irish cheapened 3 to 99p. The big four took a modest turn for the better, however, with Lloyds and National Westminster both closing 3 higher at the common level of 218p. Hambros dominated the proceedings elsewhere, forging ahead to close 17 up at 189p with buyers looking forward to next month's planned flotation of its subsidiary, Hambro Life Assurance. Schroders picked up 10 to 315p in a thin market and Slater Walker Securities hardened 2 to 24p. Anglo-Continental, on the other hand, met with profit-taking and lost 3 at 47p.

Insurances drifted gently lower on lack of support. Sun Alliance gave up 5 at 390p and General



Accident and "Royals" were both 2 lower at 140p and 254p respectively. Hogg Robinson resisted the trend and hardened 2 to 172p.

In mixed Breweries, Allied picked up 1½ to 63½p following Press comment on the first-half figures, while Matthew Brown were favoured at 70p, up 4. Burtonwood (Forshaw) held steady at 60p awaiting to-day's results, but Bass Charrington lost the turn at 97p.

The first-half return to profitable trading took Leyland Paint up 3 to 34p, while fresh speculative support in a thin market lifted Ellis and Everard a like amount to 97p for a two-day gain of 10. R. Costain remained dull, losing 2 more to 200p for a two-day fall of 6. A.P. Cement declined 4 to 152p as did Taylor Woodrow to 262p. In contrast, Newarthill put on 5 at 57p in a restricted market.

ICI closed 4 off at 357p. The statement on the company's North Sea oil financing arrangements had no material effect on sentiment. Elsewhere in Chemicals, Norsk Hydro lost 2½ points at £40½ and Fisons declined 7 to 373p.

Anglia "A" responded to sharply higher first-half profits with a rise of 4 to 114p, while Associated "A" edged up a penny to 69p in front of to-day's preliminary statement.

Plessey firm

Press comment on the company's recovery potential as indicated in the preliminary statement directed fresh attention to Plessey, which improved to 78p before closing 3 better on balance at 76p following a good business. Other Electrical leaders, however, had an easier bias. EMI were noteworthy for a fall of 3 to 234p following news that the company is purchasing the music publishing division of Colombia Pictures. GEC eased 2 to 157p and BICC cheapened 4 to 108p. Among secondary issues, MK Electric responded to news of sharply increased earnings with a rise of 3 to 78p. Racal Electronics, ahead of to-day's preliminary results, eased a penny to 224p. Reflecting overseas advices, Philips' Lamp declined 20 to 930p.

Stores once again closed with little alteration despite a modest increase in business. Marks and Spencer remained a fairly lively market following a Press mention, although finishing unchanged on the day at 98p, after 97p. Debenhams made no apparent response to the chairman's statement, ending at the overnight level of 86p. Vernon Fashion hardened a penny on the preliminary figures and the "rights" issue proposal. British Home Stores contrasted with a fall of 2p to 334p. Allied Retailers were also 2 easier at 93p, while Newsagencies had losses of a like nature in both Martin the Newsagent, 124p, and J. Menzies, 137p. In Shoes, Booth International eased 2 to 38p following the "rights" issue result.

Engineerings were not without firm features. Tom Martin, on revived bid speculation, rose 4 to 61p, after 62p. Above-forecast profits and a confident statement took F. H. Lloyd up 2½ to 68p, after 69p, and Edgar Allen Balfour hardened 1 to 74p following the improved results. Also firmer were WGI, 88p, and North British Steel, 32p, both with gains of 3, while Weir were similarly dearer at 81p. Arthur Lee rallied 1½ to 17½p. Of the day's casualties, Tube Investments lost 4 to 330p and GKN eased 3 to 315p. Shipbuildings became livelier ahead of next week's new vote on the nationalisation Bill; Swan Hunter, 48p, and Hawthorn Leslie, 42p, advanced 3 apiece, while Robb Caledon moved up 6 to 37p. Vosper, on the other hand, lost 3 to 74p.

British Sugar were out of favour in Foods, falling 10 to a 1976 "low" of 290p. J. Lyons eased 2 to 90p in front of to-day's preliminary results, while losses of 3 were sustained by Tate and Lyle, 232p, and F. J. Wallis, 35p. Cavenham were quietly steady at 115p following news that the company is to spend £30m. over the next five years on developing its retailing interests. In Supermarkets, Tesco gave up a penny at 39½p on preliminary figures which failed to come up to general market expectation. Hotels and Caterers had Ladbroke 2 firmer at 92p.

Jas Warren up

A minor reaction took place in the miscellaneous Industrial leaders during the course of a thin trade. Unilever gave up 6 to 468p and Beecham shed 3 to 375p as did Boots to 120p. News that the group face stiff competition in the Nordic glass market following the merger of St. Gobain and Granges induced nervousness in the market for Pilkington Bros. which touched 335p before closing 2 lower on balance at 338p. Elsewhere, Continuous Stationery shed 2 to 28p on the disappointing results. Fresh profit-taking after the recent rise on the Dorchester Hotel sale saw Development Securities up 4 more to 303p. Prestige lost 6 at 140p, and Braby Leslie were 4 down at 63p; the latter's results are due July 6. Awaiting a further move by International Combustion on the bid situation, Thermal Syndicate receded 2 to 91½p. Jardine Matheson lost 4 to 363p on Far-Eastern advices. James Warren, on the other hand, attracted support and closed 8 higher at a 1976 high of 60p, while Unicorn Industries were also popular at 74p, up 4. Neil and Spencer hardened 3 at 25p as did J. M. Newton to 39p, and further consideration of the results helped Incledon and Lamberts harden a penny to 46p.

Interest in Motors and Distributors remained at a very low ebb. British Leyland closed unchanged at 32p despite the production problems caused by the dispute at Rubery Owen. Lookers moved up 1½ to 23½p on the statement which accompanied the half-yearly report.

Sharply lower profits had been expected from Trident Group, in Paper/Printings, but after the news the close was still 3 down at a low for the year of 40p.

Burmah's BP sale

Burmah's sale of nearly 3m. of its remaining 5m. British Petroleum shares surprised the market although just a fortnight or so ago speculation that such a deal was in the offing was considerable. The deal, which was put through the market at an average price of 595p for each BP, momentarily lifted Burmah to 43p, but general market conditions were against the firmness and close was unchanged at 41p. Oils otherwise continued to react and BP fell 11 to 607p, while Shell, which were again the day's most active counter, lost 8 further to 432p. LASMO/SCOT issues resisted, and the latter's 14 per cent. Loan, 1981-83, stock (£50 paid) rose two points to £27½, while the LASMO issue of similar coupon and date gained 1½ points to the same price. Elsewhere, Attock revived with a rise of 3 to 52p and Woodside-Burmah rallied 4 to 78p.

Properties were unaffected by the drifting tendency elsewhere and presented a quietly firm undertone. Stock Conversion were again to the fore at 160p, up 5, while revived bid speculation lifted Estates and Agency 3 to 43p. Renewed buying in a thin market took Chesterfield 4 higher to 137p and Haslemere Estates rebounded 6 to 182p. Centrovincial remained on buyers' lists and gained 2 further to 31p. Trading announcements continued to stimulate Warnford Investments, 3 better at 175p, and Property Holding, which rose 2 more to 232p. Of the few dull spots, Countryside fell 2 to 12p.

Tuesday's bid denial continued to weigh heavily on Gill and Duffus which lost 7 more to 181p, for a two-day fall of 16 in Overseas Traders. Paterson Zochonis gave up 5 to 175p and Inchcape receded 4 at 396p, but the chairman's expectation of a recovery in the current year helped Harrisons and Crosfield add 25 to 900p.

Trusts and Financials had little to commend them. Bishopsgate Property and General Investments were marked a shade higher to 18½p on the return to profitability for the first half-year. International Pacific Securities gave up 4 to 141p.

Preliminary results which proved to be slightly worse than most pessimistic forecasts depressed "Lofs" which reacted 3½ to 33½p in dull shippings. P & O Deferred receded 2½ to 104p.

Textiles displayed no set trend after an idle trade. Courtaulds eased a penny to 132p as did Allied to 82p. Hicking Pentecost, on the other hand, were that much dearer at 65p; the results are due next Wednesday. Bats cheapened 2 to 368p in lifeless Tobaccos.

Small irregular price movements were the order of the day in Rubbers after a minimal trade. Castlefield cheapened a penny to 89p in front of to-day's interim results, while Highlands and Lowlands were unmoved at 43p following the results.

Golds lose ground

The recent civil distrubances in South Africa and the continued decline in the bullion price, which was finally 50 cents lower at $124.875 per ounce, combined to further unsettle Golds yesterday.

Jobbers initially marked down share prices on modest Cape and Continental offerings. The opening of U.S. markets brought further selling, although prices were finally a shade above the day's lowest levels. The Gold Mines index lost 7.6 more to 163.9.

Among the heavyweights, falls of a point were registered by West Driefontein (£22), St. Helena (£13½) and Western Holdings (£17½). Buffels (83 lower at 840p) and Western Deep (95 down at 880p) were particularly weak.

Overseas-based Financials mirrored Golds. "Amgold" lost ½ to £20¾, while General Mining and GFSA were a similar amount down at £16¾ and £17½ respectively. The London-based stocks were barely changed in quiet trading.

Platinums and Coppers were untested. Tins, however, responded to the record level attained by the London metal price. Gopeng rose 7 to a year's high of 232p and Geevor put on 5 to 230p. Amalgamated Tin Nigeria hardened 2 to 42p.

The easier tendency in overnight markets in Sydney and Melbourne was reflected in Australians here. Western Mining and North Broken Hill were both lower at 188p and 176p respectively. Metals Exploration rose 3 to 83p owing to profit-taking. In lower Uraniums, Pancontinental lost ½ to £12½ and Peko-Wallsend dropped 10 to 555p.

Elsewhere Sabina reacted further 8 to 87p on Canadian selling.

FINANCIAL TIMES STOCK INDICES

	June 23	June 22	June 21	June 18	June 17	June 16	A Year ago
Government Secs.	62.89	62.78	62.58	62.56	62.49	62.68	58.9
Fixed Interest	62.43	62.28	62.17	62.12	61.91	61.95	58.0
Industrial Ordinary	382.3	384.8	383.2	386.9	379.8	385.0	313.
Gold Mines	163.9	171.5	172.9	167.0	170.0	184.9	400.
Ord. Div. Yield	5.63	5.60	5.61	5.55	5.65	5.57	6.4
Earnings Y'ld % (full) (a)	16.00	15.88	15.93	15.76	16.01	15.81	19.0
P/E Ratio (net) (a) (b)	9.26	9.33	9.30	9.40	9.25	9.37	7.4
Dealings marked	4,315	4,140	4,028	4,124	4,208	4,382	8,22
Equity turnover £m.	—	36.95	41.76	51.23	44.19	40.79	51.6
Equity bargains total	—	9,952	9,837	9,791	9,634	10,202	14,25

10 a.m. 383.7. 11 a.m. 384.0. Noon 384.4. 1 p.m. 384.2. 2 p.m. 384.7. 3 p.m. 383.4.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.18.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (4/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	364.7 (2/6/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	140.1 (6/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 23	June 22
Daily—		
Gilt-Edged	149.4	159
Industrials	140.1	132
Speculative	45.6	42
Totals	98.2	94
5-day Av'r'ge.—		
Gilt-Edged	142.4	145
Industrials	133.1	132
Speculative	58.6	52
Totals	94.8	95

SW to pioneer new service

THE GOVERNMENT has chosen the South West for the introduction of a new Small Firms counselling Service, Mr. Ed McVickers, Regional Director of the Department of Industry, said yesterday.

The service will complement the Government's successful Small Firms Information Centres. The South West has been chosen as the pilot region for a one-year trial and in the light of experience the service will be extended to the rest of the country.

Mr. McVickers said: "Experience has shown that while Small Firms Information Centres are successful in helping people find the solutions to specific problems through their signposting service, there is often the need to help the small businessman to identify his basic problem."

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed. June 23, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Tues. June 22 Index No.	Monday June 21 Index No.	Friday June 18 Index No.	Thurs. June 17 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (179)	144.41	−0.5	16.06	6.21	9.38	9.29	145.12	144.79	145.25	143.55	116.76	160.06	137.18	206.57	50.71
2 Building Materials (30)	127.26	−0.9	15.24	7.25	9.95	9.94	128.56	128.69	129.03	127.72	99.93	150.18	125.78	253.84	44.27
3 Contracting, Construction (23)	192.55	−0.4	20.01	5.64	7.89	7.89	193.29	193.57	195.79	194.45	213.67	260.20	192.55	389.35	71.48
4 Electricals (16)	267.85	−0.7	15.36	4.75	9.63	9.55	269.68	267.04	269.12	262.29	212.61	287.50	245.72	350.04	86.71
5 Engineering (Heavy) (13)	175.61	−0.7	22.59	6.91	6.91	6.91	176.76	177.14	178.37	175.92	141.54	193.18	161.88	202.57	94.43
6 Engineering (General) (63)	155.10	−0.2	15.60	6.66	9.57	9.57	155.43	155.52	155.37	154.12	105.15	149.29	125.48	168.59	45.14
7 Machine and Other Tools (9)	55.18	−0.4	13.71	7.25	13.03	12.99	55.39	55.28	55.43	55.01	42.22	60.62	51.19	136.75	19.96
8 Miscellaneous (25)	127.90	−0.2	14.71	6.66	10.57	10.06	128.12	127.78	128.03	128.04	106.08	141.94	121.58	177.41	49.65
9 CONSUMER GOODS (DURABLE) (53)	124.89	−0.4	16.70	5.39	8.95	8.92	125.40	125.51	126.05	124.55	83.27	141.46	116.86	227.78	38.39
10 Lt. Electronics, Radio TV (15)	136.58	−0.6	14.76	4.07	9.96	9.94	137.36	137.52	139.10	137.39	96.28	160.35	128.75	257.41	42.85
11 Household Goods (13)	163.46	−0.7	18.77	7.11	8.10	8.08	164.56	165.28	165.47	164.94	136.31	187.22	162.00	265.22	63.92
12 Motors and Distributors (25)	78.81	−0.1	18.84	6.74	8.04	8.00	78.86	78.80	78.57	77.26	45.15	85.16	70.05	170.59	19.91
13 CONSUMER GOODS (NON-DURABLE) (168)	146.47	−0.2	14.55	6.22	10.41	10.27	146.76	146.74	147.87	146.09	129.60	162.24	138.95	226.08	61.41
14 Breweries (15)	158.98	+1.8	14.85	7.03	10.08	10.08	156.15	158.47	161.07	158.17	149.24	179.45	147.89	281.87	69.47
15 Wines and Spirits (7)	179.82	...	10.60	5.65	14.45	14.43	179.82	179.91	180.92	178.74	161.93	190.67	169.90	257.40	78.71
16 Entertainment, Catering (14)	174.55	+0.1	13.94	7.59	11.07	10.97	174.19	173.54	176.65	173.56	145.55	211.26	158.17	329.98	54.87
17 Food Manufacturing (22)	162.71	−0.9	16.12	5.56	9.42	9.37	164.16	164.65	165.82	163.95	141.91	179.44	157.25	211.65	59.78
18 Food Retailing (16)	134.18	−0.4	13.16	5.49	11.09	11.09	134.70	135.18	136.66	134.15	125.02	150.05	128.86	235.08	54.30
19 Newspapers, Publishing (16)	169.00	-	12.33	6.12	12.46	12.46	168.94	168.94	169.58	167.41	133.11	184.34	157.01	250.29	55.08
20 Packaging and Paper (12)	99.44	−0.1	16.38	7.60	9.38	9.38	99.59	99.55	100.74	99.11	89.95	112.60	94.92	135.69	45.46
21 Stores (34)	118.87	−0.2	12.95	5.81	11.89	11.87	119.09	118.03	118.64	117.62	110.31	136.24	115.17	204.39	52.63
22 Textiles (23)	150.32	−0.9	10.07	7.61	14.15	11.56	151.64	150.95	151.77	148.51	130.37	183.19	141.90	255.72	62.66
23 Tobaccos (3)	222.25	−0.7	19.62	6.38	7.77	7.77	223.74	224.12	225.39	223.74	182.84	241.89	211.56	359.16	94.34
24 Toys and Games (6)	72.34	−0.6	20.23	7.60	6.88	6.88	71.89	72.59	73.68	72.41	39.43	78.73	59.15	135.72	20.93
OTHER GROUPS (96)															
25 Chemicals (26)	213.35	−1.0	11.67	5.27	11.92	11.92	215.48	214.97	216.32	215.75	166.42	251.38	199.45	241.38	71.20
26 Office Equipment (9)	93.59	−0.8	12.72	5.54	11.43	11.43	94.38	94.64	95.27	94.14	84.14	100.18	85.09	246.06	46.54
27 Shipping (12)	374.61	−0.6	13.92	6.98	9.02	9.01	376.70	378.45	384.20	377.30	337.08	432.64	355.52	517.00	90.80
28 Miscellaneous (49)	154.00	−0.6	14.46	7.18	10.34	10.33	154.91	155.27	156.21	154.56	133.69	172.93	148.45	258.85	60.39
29 INDUSTRIAL GROUP (496)	151.39	−0.5	14.62	6.09	10.25	10.14	152.09	151.98	152.94	151.11	136.86	165.56	145.66	220.17	59.01
30 OILS (4)	360.96	−1.8	11.86	4.54	9.75	9.03	367.56	368.42	375.54	369.00	282.06	395.84	331.54	461.66	87.25
31 500 SHARE INDEX	168.64	−0.7	14.10	5.85	10.17	9.95	169.79	169.74	171.18	168.98	139.78	185.00	161.90	227.95	63.49
32 FINANCIAL GROUP (100)	125.02	−0.2		5.93			124.82	124.98	125.63	123.31	128.53	152.46	116.52	241.41	55.88
33 Banks (6)	151.40	−1.0	20.45	5.59	7.52	7.53	149.84	151.66	153.30	148.30	150.98	192.16	146.38	288.82	62.44
34 Discount Houses (10)	156.80	−0.1		8.82			156.64	153.76	156.87	153.25	140.68	186.52	147.00	293.15	61.40
35 Hire Purchase (5)	90.85	−1.3	—	7.15	—		92.01	91.71	91.71	91.34	84.29	152.10	90.50	433.72	38.83
36 Insurance (Life) (9)	104.58	−0.8	—	6.85	—		105.41	105.49	107.06	106.15	105.16	129.46	95.97	194.46	44.86
37 Insurance (Composite) (7)	96.77	−0.7		7.25			97.48	96.80	97.09	95.35	103.97	119.75	92.05	155.76	43.96
38 Insurance (Brokers) (9)	252.52	−0.1	9.78	4.38	15.11	15.11	252.10	252.00	253.17	249.36	188.46	276.90	216.26	276.90	65.86
39 Merchant Banks (16)	71.87	−0.5	..	7.76			71.51	71.78	71.88	71.98	81.07	98.85	69.72	278.57	31.21
40 Property (32)	157.70	−1.0	3.57	3.52	31.99	52.67	156.15	154.95	155.05	153.52	178.51	184.57	144.57	557.40	56.01
41 Miscellaneous (6)	72.68	−2.6	18.65	8.21	8.50	8.50	74.65	75.05	72.95	73.72	71.00	91.98	69.82	303.15	33.29
42 Investment Trusts (50)	152.28	−0.1	3.50	4.92	29.75	29.75	152.42	150.74	150.63	149.99	158.76	164.55	141.96	245.79	71.63
43 ALL-SHARE INDEX (630)	157.43	−0.5	—	5.81			158.23	158.12	159.52	157.20	157.55	172.64	150.39	228.15	61.92
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	467.00	−0.3	11.41	7.37	12.60	12.29	466.30	468.26	470.72	474.74	420.63	523.40	404.67	555.37	84.65
45 Teas (8)	138.58		30.40	8.55	4.46	4.31	138.58	138.45	137.72	138.45	100.68	143.44	117.89	140.64	59.72
46 Coppers (5)	231.25	−1.6	42.75	7.45	2.34	2.36	235.07	233.66	229.10	234.41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47 Mining Finance (11)	105.60	0.4	9.88	4.77	11.45	11.27	106.05	105.28	104.78	106.24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48 Tins (8)	112.95	−0.1	11.80	8.02	13.16	12.69	113.05	113.23	113.35	114.21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 Overseas Traders (13)	226.93	1.0	14.61	4.55	8.91	8.90	228.17	230.92	230.96	230.28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST	Wed. June 23 Index No.	Yield %	Tues. June 22	Monday June 21	Friday June 18	Thurs. June 17	Wed. June 16	Tuesday June 15	Monday June 14	Year ago (approx.)	1976 High	1976 Low
1 Consols 2½% yield	—	13.88	13.92	14.01	14.00	13.99	13.89	13.98	14.17	14.64		
2 20-yr. Govt. Stocks (6)	49.39	13.17	49.23	49.06	49.08	49.02	49.26	48.96	48.72	48.41	[illegible]	[illegible]
3 20-yr. Red. Deb. & Loans (15)	50.78	14.56	50.58	50.70	50.61	50.62	50.62	50.65	[illegible]	[illegible]	[illegible]	[illegible]
4 Investment Trust Prefs. (15)	48.02	14.42	47.86	47.73	47.75	47.47	47.38	47.38	[illegible]	42.01	[illegible]	[illegible]
5 Coml. and Indl. Prefs. (20)	66.72	14.21	66.57	66.36	66.27	65.91	65.50	65.41	65.32	59.99	[illegible]	[illegible]

Section or Group — Base Date — Base Value: Overseas Traders 31 12 74 100.00; Engineering (Heavy) 31 12 71 153.84; Engineering (General) 31 12 71 153.84; Wines and Spirits 10 1 70 [illegible]; Toys and Games 16 1 70 [illegible]; Office Equipment 16 1 70 [illegible]; Industrial Group 31 12 70 [illegible]; Miscellaneous Financial 31 12 70 [illegible]; Food Manufacturing 29 12 67 [illegible]. Food Retailing 29 12 67 [illegible]; Insurance Brokers 29 12 67 [illegible]; Mining Finance 29 12 67 [illegible]; All Other 10 4 62 100.00. † Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 20p. [illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
Shell Transport	25p	12	432	−8	462	378
BP	£1	11	607	−11	683	575
ICI	£1	10	357	−4	402	328
Barclays Bank	£1	9	278	+3	330	265
Marks & Spencer	25p	8	98	—	108	88
Grand Met.	50p	7	87	—	[illegible]	[illegible]
Pilkington	£1	7	338	−2	[illegible]	[illegible]
Plessey	50p	7	76	+3	84	65
BICC	50p	6	108	−4	[illegible]	[illegible]
Distillers	50p	6	148	—	[illegible]	[illegible]
Midland Bank	£1	6	238	+1	[illegible]	[illegible]
P & O Defd.	£1	6	104	−2½	[illegible]	[illegible]
Royal Insurance	25p	6	[illegible]	−2	[illegible]	[illegible]
Beecham	25p	5	375	−3	[illegible]	[illegible]
Boots	25p	5	120	−3	[illegible]	[illegible]

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e).

Option Report—3-month Call Rates

First Dealings	Last Dealings	Last Declaration	For Settlement
Jun. 22	July 5	Sep. 16	Sep. 28
July 6	July 19	Sep. 30	Oct. 12
July 20	Aug. 2	Oct. 14	Oct. 26

[illegible] Oil, Anglo-Continental, ICI, Charter Cons., Tom Martin, Premier Oil, F. J. Wallis and Robb Caledon. A "put" was done in Burmah Oil, while "doubles" were arranged in Burmah Oil, Tom Martin, BSR, and Capital and Counties. "Calls" were dealt in Burmah and Capital and Counties.

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (14)

BRITISH FUNDS (1): Exchqr. 13¼pc 1996
AMERICANS (2) · BUILDINGS (2) · ENGINEERING (2) · INDUSTRIALS (1): Warren (Jas.) · TRUSTS (1) · MINES (2): Gopeng Cons. [remaining names illegible]

NEW LOWS (30)

BANKS (8) · BUILDINGS (3) · CHEMICALS (1) · STORES (2) · ENGINEERING (4) · FOODS (2): British Sugar, Mills (A. J.) · INDUSTRIALS (3): Cont. Stationery, Downs Surgical · INSURANCES (1): Provident 'A' · PAPER (1): Trident · PROPERTY (2): Beazer (C. H.), Estates Prop. Inv. · SHIPPING (1): Sheaf Steam · TRUSTS (2): Derby Trust Cap., Suez Finance [remaining names illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	37	9	13
Corpns. Dom. and Foreign Bonds	15	—	48
Industrials	186	312	1,202
Financial and Prop.	78	93	398
Oils	7	9	21
Plantation	1	3	41
Mines	20	67	60
Recent Issues	9	14	25
Totals	334	497	1,858

BASE LENDING RATES

Allied Irish Banks Ltd. · American Express Bank · Anglo-Portuguese Bank · Henry Ansbacher · Banco de Bilbao · Bank of Cyprus · Bank of N.S.W. · Banque du Rhone S.A. · Barclays Bank · Barnett Christie Ltd. · Bremar Holdings Ltd. · Brit. Bank of Mid. East · Brown Shipley · Canada Permanent AFI · Cayzer Ltd. · Cedar Holdings · Charterhouse Japhet · C. E. Coates · Consolidated Credits · Co-operative Bank · Corinthian Securities · Credit Lyonnais · Duncan Lawrie · English Transcont. · First London Secs. · Antony Gibbs · Goode Durrant Trust · Greyhound Guaranty · Grindlays Bank · Guinness Mahon · Hambros Bank · Hawtin & Partners · Hill Samuel · C. Hoare & Co. · Julian S. Hodge · Hongkong & Shanghai · Industrial Bank of Scot. · Keyser Ullmann · Knowsley & Co. Ltd. · Lloyds Bank · London & European · London Mercantile · Midland Bank · Samuel Montagu · Morgan Grenfell · National Westminster · Northern Comm. Trust · Norwich General Trust · Portman Guaranty · P. S. Refson & Co. · Rossminster Accepts. · Schlesinger Limited · E. S. Schwab · Security Trust Co. Ltd. · Shenley Trust · Standard Chartered · Trade Development Bk. · Twentieth Century Bk. · United Bank of Kuwait · Whiteaway Laidlaw · Williams & Glyn's · Yorkshire Bank [rates illegible]

■ Members of the Accepting Houses Committee. * 7-day deposits on sums of £10,000 and under 6%, up to £25,000 [illegible] and over £25,000 [illegible]. † 7-day deposits over £1,000 [illegible]. ‡ Demand deposits [illegible]. § Call deposits over £1,000 [illegible].

CORAL INDEX Close 379-384

INSURANCE BASE RATES

Albion Assurance · Cannon Assurance [illegible]

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Day-to-day credit was in very short supply in the London money market yesterday and the authorities gave an exceptionally large amount of assistance by buying Treasury bills and corporation bills from the discount houses and banks. Surplus balances were carried forward by the banks, there was a fall in the note circulation, and maturing Treasury bills were also in the market's favour. These were outweighed however by a very large excess of revenue payments to the Exchequer over Government disbursements, repayment of earlier official advances to the market, settlement of official sales of gilt-edged stock, and maturing local authority bills held by the authorities.

Discount houses paid 11-11½ per cent. for secured call loans in the early part and closing balances were taken at 10¾-11¼ per cent.

In the interbank market overnight loans opened at 11⅝-11¾ per cent. and ranged between 11¼-11¾ per cent. before easing to 11-11¼ per cent. and closing at 12 per cent.

Short-term fixed period interest rates were generally firmer.

Rates in the table below are nominal in some cases.

June 23 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury Bills ⊕	Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	11-12	—	—	—	11⅝	10¾-11½	—	—	—
2 days notice	—	—	11⅛-11¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	11¼-11⅜	11¼-11⅜	—	11¾-12	—	11-11⅜	—	—	—
One month	11-11	11⅛-11¼	11¼	11½-11	11¾-12	—	10⅞-11	[illegible]	[illegible]	[illegible]
Two months	11-11	11⅛-11¼	—	[illegible]	11¾-12	—	10¾-10⅞	[illegible]	[illegible]	[illegible]
Three months	11-11	11⅛-11¼	11⅛-11¼	[illegible]	12	—	10¾-10⅞	11-10⅞	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	12	—	—	—	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	—	[illegible]	12-12¼	—	—	—	—	—
One year	[illegible]	[illegible]	11¾-12	12-11½	12-12¼	—	—	—	—	—
Two years	—	—	12¼-12½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rates [illegible]. Finance House Base Rates (published by the Finance Houses Association) 11 per cent. from June 1, 1976. Clearing Bank [illegible]

AUTHORISED UNIT TRUSTS

[illegible]

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish Exchange.

...bany Inv. 20p	18	......	Bigsons Brew.	93	......	**IRISH** Conv. 9% '80/82	£88½	
...h Spinning	38xd	......	I.O.M. Stm. £1	140	......	Alliance Gas	54	
...rtam	25	......	Holt (Jos.) 25p	235	......	Arnott	225	
...lg'wtr. Est. 50p	133	......	Kleen-e-Ze	32	......	Carroll (P.J.)	102	−2
...over Croft	38	......	Lovell's Ship £1	100	......	Clondalkin	46	......
...aig & Rose £1	350	......	N'tho. Goldsmith	85xd	......	Concrete Prods.	96	......
...yson (R.A.)	18	......	P.M.A.	43	......	Heiton (Hldgs.)	23	......
...lls & McHdy.	69	......	Pearce (C. H.)	80	......	Ind. News	40	......
...vans Fr'k 10p.	23	......	Peel Mills	19	......	Ins. Corp.	140	......
...ered	12	......	RobbCaledon£h.	31	......	Irish Distillers	50	......
...e Forge	45	......	Sayers 12½p	14	......	Irish Ropes	92	......
...nlay Pkg. 5p	16½	......	Sheffield Brick	82	......	Jacob	64	......
...nt & Reed 50p	152	......	Sheff. Refrshmt.	140	......	Sunbeam	12	......
...ig Ship. £1	315	......	Shiloh Spinn.	25	......	T.M.G.	92½	......
...Sleigh 10p	8	......	Sindall (Wm.)	50	......	Unidare	70	......

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1975, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

...s	+ 20.84	Breweries	− 1.64
...ls	+ 17.03	Consumer Goods (Non-durable) Group	− 1.88
...Mines	+ 16.26	Household Goods	− 2.32
...ys and Games	+ 15.67	Stores	− 3.52
...urance (Brokers)	+ 15.26	Packaging and Paper	− 4.36
...ders and Distributors	+ 13.34	Food Retailing	− 5.99
...ice Equipment	+ 10.92	Mining Finance	− 6.27
...	+ 10.92	Entertainment and Catering	− 6.91
...ctricals	+ 10.23	Textiles	− 7.05
...emicals	+ 9.09	Insurance (Composite)	− 7.66
...chine Tools	+ 8.82	Building Materials	− 8.00
...gineering (General)	+ 8.63	Financial Group	− 8.25
...gineering (Heavy)	+ 8.19	Banks	− 9.53
...sumer Goods (Durable) Group	+ 4.18	Investment Trusts	− 9.82
...wspapers and Publishing	+ 3.94	Coppers	− 10.09
...-Share Index	+ 2.85	Insurance (Life)	− 10.21
...nes and Spirits	+ 2.72	Discount Houses	− 10.51
...pping	+ 2.25	Property	− 10.51
...ital Goods Group	+ 2.19	Hire Purchase	− 11.17
...ustrial Group	+ 1.42	Merchant Banks, Issuing Houses	− 16.18
...cco	+ 1.38	Contracting and Construction	− 21.70
...er Manufacturing	+ 1.08	Gold Mines F.T.	− 27.94
...ctronics, Radio and TV	+ 0.30	* Percentage changes based on Tuesday, June 22 1976, indices.	
...seas Traders	+ 0.11		
...Share Index	+ 0.09		

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Tyndall Group 0534 37331
Hamilton, Bermuda, & St. Helier, Jersey.

Overseas June 16	$US1.16	1.22	...	6.00
(Accum. Units)	$US1.57	1.66	...	—
O'seasStrn June16	£7.25	7.75	...	6.00
(Accum. Shares)	£9.90	10.60	...	—
Gilt June 23	99.4	100.8xd	+0.2	11.90
(Accum. Shares)	102.4	103.8	+0.2	—
3-Way Int. May 20	$US2.351			—
Int. I Man May 20	87.2	91.4	...	—

United States Tst. Intl. Adv. Co.
14, Rue Aldringer, Luxembourg

U.S. Tst. Inv. Fnd.	$US11.92	−0.11	1.00

Next asset value June 21

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Cnv. Bd. June 22	$US8.78	−0.02	—
Energy Int. June 22	13.65xd	−0.29	—
Gr.St.$Fd. May 28	$US7.20	...	—

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. CI. 0534 29041

CMF Ltd. May 27	$US9.81	10.07	...	—
CMT Ltd. May 27	£9.31	9.55	...	—
Metals Tst. June 17	£13.51	13.84	...	—
TMT June 10	$US10.80	11.08	...	—
TMT Ltd. June 10	£11.24	11.42	...	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.

W'rld Wide Gth. Fn.	$US4.33	...	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. † Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
[illegible]	[illegible]	Treasury 6½pc 1976‡‡	99[illegible]	......	6.54	11.09
98⅝	98⅝	Victory 4pc 1976‡‡	98⅝	......	4.04	—
101[illegible]	99[illegible]	Treasury 10½pc 1976‡‡	100 [illegible]xd	......	10.49	10.23
98[illegible]	95[illegible]	Treasury 6½pc 1977‡‡	97¼	......	6.43	10.29
97[illegible]	94½	Electric 3pc '74-77	96½	......	3.11	8.04
103[illegible]	92[illegible]	Treasury 11½pc '77‡‡	100[illegible]	......	11.44	10.98
94⅝	91⅞	Treasury 3pc '77‡‡	94[illegible]	–[illegible]	3.17	7.14
95⅝	92¼	Transport 4pc '72-77	95[illegible]	–[illegible]	4.19	7.19
99[illegible]	90½	Treasury 9pc 1978‡‡	96[illegible]	–[illegible]	9.30	11.06
101½	97	Treasury 10½pc '78‡‡	99[illegible]	–[illegible]	10.56	10.81
93½	89⅝	Exchequer 5pc '76-78‡‡	92⅝	–⅛	5.40	8.64
103[illegible]	97[illegible]	Treasury 11½pc '79‡‡	100[illegible]	......	11.45	11.28
88[illegible]	85[illegible]	Treasury 3pc '79‡‡	88[illegible]	–[illegible]	3.38	6.93
89[illegible]	73[illegible]	Electric 4¼pc '74-79	88[illegible]	......	4.78	8.22
100[illegible]	94[illegible]	Treasury 10½pc '79‡‡	97[illegible]	–[illegible]	10.78	11.41
88[illegible]	83½	Electric 3½pc '76-79	88⅝	–⅛	3.95	7.34
95[illegible]	90¼	Treasury 9pc 1980‡‡	93[illegible]	+[illegible]	9.67	11.34
96[illegible]	91¼	Treasury 9½pc '80‡‡	93½	–[illegible]	10.16	11.61
86	82¼	Treasury 3½pc '77-80	86	......	4.07	7.65
89½	71	Funding 5½pc '78-80‡‡	89½xd	......	5.87	8.41
103[illegible]	96[illegible]	Treasury 11½pc 1981	99½	+[illegible]	11.56	11.64
85	79	Treasury 3½pc 1979-81	82¾	+¼	4.23	8.02
95⅝	90½	Treasury 9¾pc 1981‡‡	92[illegible]	......	10.57	11.90

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

S.E. List Premium 48½% (based on $1.7725 per £)

Conversion factor 0.6716 (0.6712)

CANADIANS

S.E. List Premium 48½% (based on $1.7175 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

PROPERTY—Continued

TRUSTS—Continued

TRUSTS—Continued

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	350	[illegible]	460	−10	Q75c	ϕ	[illegible]
£14	785	Buffels R1	840xd	−65	Q125c	ϕ	8.8
198	95	Deelkraal R0.20	138	.....	—	—	—
760	330	Doornfontein R1	370	−30	Q55c	ϕ	9.8
965	640	East Drie R1	750	−30	Q75c	1.7	6.0
280	160	Elandsrand Gld 20c	200	−15	—	—	
190	112	Elsburg R1	120	−10	‡Q338c	1.0	‡
£16½	£11¼	Hartebeest R1	£13½	−¼	Q190c	ϕ	8.6
695	420	Kloof Gold R1	470	−20	Q47c	ϕ	6.0
760	400	Libanon R1	460	−25	Q60c	ϕ	10.7
740	335	Southvaal 50c	550	−20	Q8c	1.3	0.9
245	140	Stilfontein 50c	165xd	−10	‡Q36c	2.2	‡
£20½	£13¼	Vaal Reefs 50c	£14¼	−¼	‡Q175c	2.1	‡
420	175	Venterspost R1	190	−10	‡Q70c	1.9	‡
£35	£19¾	W. Drie R1	£22	−1	Q335c	ϕ	9.2
315	165	Western Areas R1	185	−10	‡Q52c	1.4	‡
£15½	790	Western Deep R2	880	−95	[illegible]	1.6	‡
290	190	Zandpan R1	240	−10	Q31½c	ϕ	7.9

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	75	Free State Dev. 50c	100	.....	Q14c	1.6	8.3
£22½	£12	F.S. Geduld 50c	£13½	−¼	‡Q330c	1.3	‡
200	57	F.S. Saaiplaas R1	160	−10	Z6c	◊	2.2
465	295	Harmony 50c	380	−10	Q65c	ϕ	10.1
195	70	Loraine R1	106	−14	Q6c	0.5	3.4
£18½	950	Pres. Brand 50c	£12½	−¼	‡Q250c	1.3	‡
£15	700	Pres. Steyn 50c	750	−25	‡Q125c	2.2	‡
£23	£12	St. Helena R1	£13¼	−1	‡Q250c	1.2	‡
174	86	Unisel	120	.....	—	—	—
330	220	Welkom 50c	240	−10	‡Q55c	1.7	‡

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	.....	0.1	ϕ	1.8
39½	23	Charterhall 5p	26½	−½	—	—	—
965	560	Cons. Murch. 10c	870	.....	†Q80c	1.8	5.6
55	28	Laurasia	40	.....	—	—	—
455	245	Northgate C$1	360	.....	—	—	—
239	178	R.T.Z.	216	−2	5.42	2.1	3.9
112	84	Sabina Inds. C$1	87	−8	—	—	—
£15¾	£10	Tara Expln. $1	£15	.....	—	—	—
85	65	Tehidy Minerals 10p	85xd	.....	2.17	ϕ	3.9
142	84	Yukon Cons. C$1	142	+2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents
- ϕ Figures or report awaited.
- †† Unlisted security
- ■ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress.
- ⊥ Not comparable
- ♠ Some interim reduced final and/or reduced earnings indicated
- § Based on 1975 profits
- ∷ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration
- ♣ Regional price
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xcd ex capital distribution.

"Recent Issues" and "Rights" Page 23

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Thursday June 24 1976

State talks with BP in difficulties

BY RAY DAFTER, ENERGY CORRESPONDENT

TALKS between the Government and British Petroleum over State participation in North Sea oilfields appear to have struck a sticky patch.

The negotiations involve conditions which, if implemented, would make the participation formula much more far-ranging than those agreed so far with other companies.

Although the talks are complex and somewhat tortuous none of the three sides—BP, the Department of Energy and the State-owned British National Oil Corporation—believes that difficulties are insurmountable. Consequently, it is possible that a participation deal, giving the corporation a major stake in BP's offshore interests, will be concluded within a couple of months.

PRICE

The main negotiating problems seem to centre on the price at which the corporation will buy participation crude from BP. The oil company, which employs 37,000 people in the U.K. and runs four refineries as well as chemical plants, believes that relinquishing much of its crude to the State corporation could undermine the long-term security of supplies to downstream activities.

This situation, BP maintains, would run counter to the Government's declared policy that participation should leave oil companies financially in no better and no worse a position.

As a result, it is calling for the participation crude to be bought by the corporation at a "cost-plus" or premium price, a suggestion that the State corporation is resisting. Similarly, the corporation is believed to be opposing an alternative proposal—that BP should have a reverse option to buy back oil from the Government at the market price.

So far, the participation deals which have been concluded involve the corporation's option to buy a percentage of a field's output at market price.

BP has been discussing the broad area of a participation agreement with the Government since earlier this year. Because the Government has a 48 per cent. stake in the company, with a further 20 per cent. held by the Bank of England, BP is in a different position from other companies discussing participation terms. They include Shell and Esso.

This relationship with the Government could well result in BP's accepting much closer ties with the corporation. It is possible, for instance, that its participation deal will make provision for the corporation to receive technical support from BP staff.

BP is producing oil at a rate of about 170,000 barrels a day from its Forties Field. It also has a stake of more than 16 per cent. in Chevron's Ninian Field.

Burmah sells more BP shares

BY MICHAEL LAFFERTY

BURMAH OIL has disposed of part of its remaining shareholding in British Petroleum for £17.8m.

Yesterday 2.9m. BP shares were placed through the stock market, at a price of 59.5p each, with about 30 institutions. This leaves Burmah holding about 2m. BP shares, some of which are pledged as security for loans.

Burmah disposed of its main BP holding, representing 21 per cent. of the equity, to the Banks of England in January, 1975 for £179m. The terms of that deal—the Bank stake is currently worth about £500m.—have been strongly disputed by the Burmah Shareholders Action Group, and Burmah has appealed to the Bank to reconsider the deal.

News of the deal sent Burmah shares 2p higher, but they closed unchanged at 41p.

It has also been announced that two ultra-large crude carrier ships which Burmah was to have leased—but no longer requires—are not to be built. The U.S. Gatx Corporation, from which Burmah was to hire the vessels in 1979, has cancelled the order, which was with the China Shipbuilding Corporation.

While dissociating itself from certain charges made by the Burmah Shareholders Action Group, the Association of Investment Trust Companies (AITC) says that in one vitally important respect "the terms of the Bank's assistance were unnecessarily and mistakenly harsh."

MPs may have to be recalled, warns Foot

PARLIAMENT might have to be recalled in September and October, Mr. Michael Foot, Leader of the Commons, warned yesterday. He made it clear that the Government's legislative programme would be carried through since it was all essential, even if this meant bringing back MPs before the conference season.

Though welcoming moves to restore normal working relations with the Conservatives in the Commons, Mr. Foot made it clear that, after a "replay" of the controversial vote on the Aircraft and Shipbuilding Bill the Government would make no more concessions.

Other legislation which has been held up, notably the extension of the dock labour scheme, the phasing out of pay beds and the Bill on comprehensive education, would also be completed.

Mr. Foot is counting on the reinforcement of the Government's vote in the Commons by Labour victories in the Rotheram by-election to-day and in the next few weeks in the other vacant Labour seat of Thurrock; the date for which has not yet been fixed.

But even with a narrow overall majority restored, the Government will still encounter problems in clearing the backlog of business. Many MPs expect to be recalled in September before the main party conferences begin and then to return to Westminster afterwards to sit through most of October.

Mr. Foot also forecast yesterday that the devolution Bill, to be introduced in the next Parliamentary session, would be carried. "We shall hold together the United Kingdom in the process," he added.

"It is my belief that the successful maintenance of a Labour Government in office over the next four or five years is essential for the welfare of our country."

Commenting on the recent Labour leadership election, Mr. Foot said: "I am beginning to understand how these arranged marriages work in some parts of the world." He said he was getting on very well indeed with Mr. James Callaghan, who would "turn out to be a very good Prime Minister."

Critical vote

The critical vote on the future of the Aircraft and Shipbuilding Industries Bill will take place next Tuesday, after the victor of the Rotheram by-election has taken his seat in the Commons, writes Richard Evans, Lobby Editor.

The new MP for Rotheram, where voting takes place today, is expected to take his seat next Monday. As he is virtually certain to be the Labour candidate, the Government would then have a majority of one over all Opposition parties.

THE LEX COLUMN

Tesco fights for market share

Index fell 2.5 to 382.3

Unlike Sainsbury, Tesco's gross and net margins continued to decline throughout the year ending February, and the group puts this down to an aggressive chase for market share in foods. Yet after adjusting for an extra week's trading in the latest period, sales growth of 21 per cent. in the second half is only a little better than the figures produced by Sainsbury and the multiple grocers as a whole. So the group has clearly been facing heavy competitive pressures, and overall profits are just £1.8m. higher at £25.1m.

Some time this year, however, the trends ought to start looking better. Last year the group increased its selling space by an exceptional 14 per cent. to just over 5m. square feet, and two-thirds of the rise came in the second half. This squeezed profits, and so did a more conservative depreciation policy which cost £366,000. The decline in gross margins appears to have been checked several months ago, and the rise in operating costs is becoming less steep. The wage award this autumn, for instance, may be about half last year's 16 per cent.-odd.

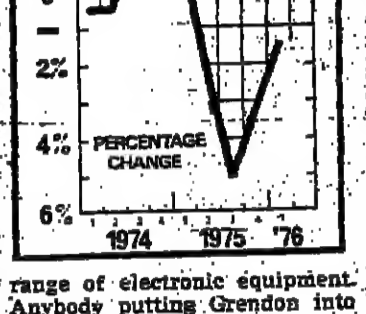
Food sales have been rather flat in recent weeks, and although the industry's volume seems to have stabilised, there is no sign of any firm recovery. However, Tesco seems to be happy with its non-food business, which, it reveals, accounts for two-fifths of its selling space. At 39½p. the yield of 5.3 per cent. is comparable with Sainsbury's, and the p/e of 10½ is roughly five points lower.

See also Page 21

Grendon Trust

Keyser Ullmann has now emerged in open confrontation with Morgan Grenfell and Robert Fleming over the question of compensation terms for the 11 per cent. Unsecured Loan stock in Grendon Trust. Grendon is likely to be in breach of its trust deed, and unlike two previous occasions Keyser is no longer willing to avert a crisis by switching loans into probably worthless Preference capital. But Morgan and Fleming have not agreed to a proposal to redeem the £6.9m. nominal of stock at £40 per cent., after discussions which have dragged on for several months—the two banks represent holders of 37 per cent. of the stock. Grendon, backed by Keyser, is now trying to force their hands and appeal to other stockholders, most of which are City funds and institutions.

Grendon is presenting the proposals as the only alternative to liquidation. Forced sale of the assets, its auditors have estimated, would yield approximately £35 per cent. to stockholders at some uncertain future date. And the traumas of liquidation might ruin the prospects of Monotype Corporation, the printing machinery business with 2,000 employees which is Grendon's largest single asset, and is at a tricky stage in launching a vital new



range of electronic equipment. Anybody putting Grendon into liquidation, the chairman Mr. D. L. Donne suggested yesterday, "will be carrying a very heavy burden of responsibility."

Among the stockholders the key role is that of Morgan, which holds £1m. nominal on its own account—a legacy from when it offered a cash alternative for the stock when Grendon, then clients of Morgan, acquired Monotype in March, 1973. Morgan argues that the offer is not really worth £40, since a £5.50 interest payment due last week is being missed. More fundamentally, it is concerned that pressure is being put on one particular group of creditors to be paid off at a discount.

If the terms are accepted, and Monotype is eventually sold off in the future at a high figure, Morgan reasons that this would be very nice for Keyser but not very good for stockholders. Its counter-proposal that some kind of deferred stake in Grendon should be offered in addition to the £40 has apparently got nowhere. As in Monotype, Morgan points out that the trustees of the loan stock will only call in a liquidator if sufficient stockholders request them to do so. Thus Morgan may not easily accept the mantle of scapegoat—and indeed it seems hard that stockholders who are trying to seek the residual protection their trust deed should be subjected to this kind of pressure.

See also Page 23

LOFS

London and Overseas Freighters has cut its 1975 dividend by 35 per cent. and that clipped nearly a tenth off the shares yesterday leaving a yield of 10 per cent. at 3[illegible] Profits are £7.1m. lower at £2.05m. after minorities, compared with dividend costs, including ACT, of £1m. But stripping out the Austin & Pickersgill shipbuilding operations leaves the group [illegible] in the red, so with Austin presumably—about to be nationalised LOFS argues that dividend options were limited. The last balance-sheet contained £24.4m. in cash but this could now be dwindling rapidly with most of LOFS liquidity tied up in shipbuilding anyway. Fleet lay-ups are currently costing £1m. a year and it will probably be 1978 before ship-owning starts to operate at an overall profit. Last published net assets were 136p a share.

See also Page 23

ICI

Unlike the other U.K. non-oil companies with North Sea development commitments, ICI has the balance-sheet strength to take a more or less direct financing route. Naturally bankers have been queueing to lend around £130m. at fine rates. Not only is the finance cheap but ICI has been able to build in a great deal of flexibility—the facilities are split between sterling and dollars (roughly 60:40), the dollar facility can be used as a back-up in the New York commercial paper market, should that be cheaper than direct drawing, and the question of a second tranche (ICI's total Ninian bill may be £200m.) has been left until next year.

Accountants called in by Chelsea

By Michael Thompson-Noel

CHELSEA Football Club has called in a firm of London accountants to investigate its books. An informal creditors' meeting has been arranged for July 2, although this is not at the insistence of the principal creditor, Barclays Bank, nor is it thought to herald Chelsea's imminent collapse.

The club's liabilities on its new Stamford Bridge grandstand are thought to total a little over £2.3m. It is the interest payments on the stand together with the drop in income following the club's recent loss of spectators that has plunged it into trouble.

Mr. Brian Mears, Chelsea's chairman, said two years ago that Chelsea's League gates needed to average 30,000-40,000 to finance the stand—the first phase in a £5.5m. facelift that has now been curtailed.

Relegated

However, in 1974-75 Chelsea were relegated to Division II after losing a clutch of top players. Last season, attendances sank to an average of 18,000, compared with the 25,000 the club needs to break even.

The creditors' meeting on July 2 is expected to hear details of a "Save Chelsea Campaign." It will also review the club's assets, which include 13 acres of land.

Mr. Ron Suart, the club's general manager, said yesterday: "As far as I'm concerned I can't see the club closing down. We are making normal arrangements for the commencement of the new season and for our pre-season tour of Sweden."

News Analysis, Page 8

U.S. explains its line on OECD talks

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, June 23.

THE U.S. administration was moved to-day to explain what it claims was a "misinterpretation" of yesterday's exchanges at the OECD meeting in Paris at which it appeared that the United States was specifically warning Britain to mend its economic ways.

The U.S. is clearly concerned lest controversy break out on the eve of the seven-nation economic summit in Puerto Rico on Sunday and Monday. It is also, arguably, somewhat embarrassed that there should be any lifting of the public veil of discretion that has so successfully been employed in U.S. economic relations with Britain.

This morning Mr. Edwin Yeo, Treasury Under Secretary stressed that the U.S. had attached no strings to its participation in the $5.3bn. credit package recently made available to Britain.

He said that conditions would apply only if the U.K. was unable to repay the short-term credits and was obliged to go to the international monetary fund for further financing, in which case it would have to meet the terms laid down by the IMF.

"In no way were we giving anybody a warning," Mr. Yeo stated. "No focus on a single country was intended." It is understood that the administration is conveying this message, through a variety of channels, to the British Government.

Mr. Yeo said that the formal speech given by Mr. William Simon, the Treasury Secretary, to the OECD dealt with general economic problems and did not refer to specific countries.

The remarks of Mr. Gerald Parsky of the Treasury, who briefed journalists on Mr. Simon's speech and who had referred to what Britain might have to do if it went to the IMF, were also not intended as a warning or a criticism of British economic policies, he said.

Mr. Yeo said that Mr. Parsky had addressed himself to two subjects—the American role in the $5.3bn. credit deal and to general developments and general objectives—but that his comments had been "misconstrued" to focus on a particular situation (that is Britain).

Mr. Yeo argued that all countries were agreed that it was imperative to eliminate disequilibrium from the international economic picture. "We need to work on underlying economic factors," he said.

Italy may seek aid at summit

BY DOMINICK J. COYLE ROME, June 23.

THE POSSIBILITY of a substantial international aid package for Italy underwritten by the major industrialised countries, will be explored by the Italian delegation attending next weekend's economic summit in Puerto Rico.

No detailed proposition has yet been formulated in Rome, mainly because of uncertainty over the outcome of last week-end's general election and to-night the caretaker Government was understood to be still deciding on the precise objectives and composition of the Italian delegation.

This will now be headed by the outgoing Prime Minister, Sig. Aldo Moro and will include Sig. Mariano Rumor, Foreign Minister and Sig. Emilio Colombo for the Treasury. Earlier, there had been indications that Sig. Moro would almost certainly not have travelled to Puerto Rico if his own Christian Democrat Party had suffered a major electoral setback.

The Moro Government is still, of course, a lame duck administration, but the long-ruling Christian Democrats are not only greatly relieved, but in a sense somewhat reinforced, by the election outcome and there is now no obvious alternative to a new government in which the party will predominate.

Nevertheless, Sig. Moro will be in Puerto Rico as a Prime Minister who has already resigned formally and who has stayed on as a caretaker until Parliament convenes on July 5.

This must inevitably limit his freedom of commitment at the seven-nation summit, although there is obvious official relief here that President Ford's invitation to Italy to participate can, after all, be accepted personally by Sig. Moro.

This is particularly so as there have been suggestions elsewhere that Italy should not have been invited on this occasion, on the reasoning that Rome's inclusion at the earlier Rambouillet meeting was based, not so much on its status as a major industrial power, but because the Italians then had the presidency of the EEC Council of Ministers.

While the Puerto Rican summit is likely to reflect current American concern at the possibility of another global inflation spiral being set off by a sharper than expected international recovery from the 1974-75 recession, Italy's immediate preoccupations are different.

In the first place, Italy continues to have above average inflation, but without the benefit of any real economic recovery. Additionally, the next Italian Government, whatever its precise political composition, will clearly be in need of international support and direct financial backing if it is to adopt and finance long overdue measures for economic and social reform, which also meeting its now considerable short- and medium-term foreign debt obligations.

There is certainly a feeling here immediately following the general election that this could be the right psychological time to explore the possibility of securing such backing internationally, perhaps even in line with the comments in Brussels earlier this week by Dr. Wilhelm Haferkamp, EEC commissioner with responsibility for economic and monetary affairs.

He spoke of the need for "an internationally backed Marshall Plan for Italy, including financial aid granted under firm conditions."

The Christian Democrats, in particular, believe that the party's "success" in holding back the Communist challenge in the elections—at least in the relative sense that the Communists did not emerge as the largest party—will make Washington and the EEC as a whole "more responsive" to overtures such as the Moro administration plans for Puerto Rico.

Continued from Page 1

Labour NEC

Energy Secretary, gave some support to Mr. Mikardo's doubts on the role of the liaison committee, but he left the meeting before the vote. Others who had to leave early included Mr. Michael Foot, the Lord President, and Mr. Edward Short. Mr. Callaghan was not present, as he had to attend the meeting of both Houses of Parliament to hear the French President.

Mr. Bryan Stanley, of the Post Office Engineering Union, moved a resolution to accept the social contract without amendment. He urged there should be "no mucking about" but it was this resolution that was defeated by 11—8.

Mr. Foot argued it was essential to accept the document and it would be "extremely injurious" if the NEC did not.

Among those who voted for amending the social contract were Mr. Eric Heffer, Mrs. Judith Hart, Mrs. Lena Jeger, Miss Joan Lestor and Mr. John Forrester of the Technical and Supervisory Section of the Engineering Union.

Roy Rogers writes: TUC leaders accepted the document at a simultaneous meeting and were far from happy when they heard that it had been turned down by the Labour Party executive.

Mr. Cyril Plant, TUC chairman, said last night he was surprised that the NEC had seen fit to turn it down. It included many things that the unions did not like and on which they had to compromise.

Earlier the TUC general council debated the contract document for two hours before adopting it by 20 votes to 3.

Those against were Mr. Alan Sapper, of the Television Technicians, who described the document as "wishful thinking" containing no rationale of how it should be implemented, and Mr. George Smith and Mr. Glyn Lloyd, both of the construction workers, who opposed the paper because it appeared to accept the principle of devolution.

Talks not intended for decisions—Bonn

BY NICHOLAS COLCHESTER BONN, June 23.

DESPITE an apparent desire by Italy to seek another large loan, there is little expectation in Bonn that the Puerto Rico summit will lead to a decision to lend money to Italy. Officials argue that the possible need for such a loan at a later stage could be discussed but for the time being the money inflows associated with summer tourism should be enough to alleviate Italy's currency position.

It is stressed that the meeting is not designed to lead to decisions, or to be a forum for negotiations or to discuss the internal problems of specific countries. Rather, it is to discuss general problems under three headings: the international economy and currency problems; trade politics and specifically East-West trade; and the relationship between the industrial and the developing countries, with energy as a sub-heading.

In all three areas, West Germany is going to Puerto Rico with points it wishes to put across. On the subject of the economy, Germany notes that the recession is now over and that it is giving more attention to the probable re-emergence of inflation.

Similarly, Germany fears that balance of payments problems will worsen as the overall economic climate improves.

Just as Bonn does not envisage the need for immediate currency aid for Italy, so it considers that Britain has no immediate currency problem, given that it is ready to draw on the IMF loan facility, with attached terms, should the need arise.

It seems, however, that the whole question of currency credits and of the terms that should be associated with them, will be given an airing in Puerto Rico.

West Germany notes with satisfaction that there has been no tendency towards trade restrictions since the Rambouillet summit last winter.

Continued from Page 1

Giscard

which the two countries could unite their efforts.

Although he did not spell out his ideas on this subject it is clear what areas the French President had in mind. Co-operation on the development of new aircraft and engines, on which talks are already in progress between British and French Ministers, was certainly one of them.

M. Giscard is, however, known to be concerned about the fact that Britain and France have gone their separate ways on uranium enrichment and the development of fast breeder nuclear reactors. He is hoping that, in the future, ways can be found of co-ordinating their research and development efforts.

Apart from these specific proposals, a central theme of the French President's warmly applauded speech was the special contribution which France and Britain could make together to the unity and influence of Europe.

It was the very similarity of their ambitions which had made France and Britain rivals throughout the centuries. To-day, however, they were both members of the same European Community and their long historical experience could be put to good use to achieve common ends.

The French President made it plain that, in talking about a united Europe, he was thinking of a confederal rather than a federal type of organisation—a point which must have pleased the majority of his audience.

Experience had shown that the machinery was less important than the political will, he said. Britain, for instance had always done without a written constitution.

To-day, ~~25 years after the creation~~ of the first European institution, the problem of the future organisation of the European Community should be approached "realistically and dispassionately."

"It is by combining the actions of our Governments and by making them act together that we will forge our European unity," he said. "A nation cannot be decreed and organised by treaty."

Weather

U.K. TO-DAY

ENGLAND and Wales mainly sunny, hot in S.E. Scotland and N. Ireland cloudy, with some rain.

London, E. Anglia, E. & W. Midlands
Sunny. Wind S. light. Max. 26C (79F).

S.E. and Central S. England, Channel Isles
Becoming sunny. Coastal fog patches. Wind S. light. Max. 27C (81F), inland.

S.W. and N.W. England, N. & S. Wales
Sunny spells later. Wind S., light or moderate. Max. 23C (73F) inland.

E. N.E. and Central England
Sunny spells. Wind S., light or moderate. Max. 24C (75F).

Lakes, Isle of Man, S.W. Scotland, Glasgow, N. Ireland
Occasional rain. Fog patches. Wind S., moderate or fresh. Max. 18C (64F).

C. Highlands, Argyll, N.W. Scotland
Occasional rain. Fog patches. Wind S., moderate or fresh. Max. 15C (59F).

Borders, Edinburgh, Dundee, Aberdeen, Moray Firth
Rain at times, becoming brighter. Wind S., moderate. Max. 20C (68F).

N.E. Scotland, Orkney, Shetland
Occasional rain. Fog patches. Wind S., moderate or fresh. Max. 14C (57F).

Outlook: Mostly dry and very warm in S. and E. Changeable with showers in N.W.

Lighting-up: London 21.51, Manchester 22.12, Glasgow 22.37, Belfast 22.34.

Pollen count: 113 (very high).

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	F	27	81	Manchstr.	F	22	72
Amsdm.	S	27	81	Melbourne	H	15	59
Athens	S	31	88	Milan	S	29	84
Barcelona	S	27	81	Montreal	S	26	79
Belfast	C	22	72	Moscow	F	18	64
Belgrade	S	27	81	Munich	S	25	77
Berlin	S	23	73	Newcastle	F	23	73
Bmgham.	F	25	77	New York	C	29	[illegible]
Bristol	F	[illegible]	[illegible]	Oslo	S	22	72
Brussels	S	18	64	Paris	S	31	88
Budapest	S	27	81	Perth	F	15	59
B. Aires	C	21	70	Prague	S	21	70
Cairo	S	30	87	Reykjavik	C	12	54
Cardiff	F	20	[illegible]	Rio de J'o	S	29	84
Cologne	S	27	81	Rome	S	29	84
Copnhgn.	C	20	68	Singapore	S	30	86
Dublin	C	19	66	Stockholm	F	18	64
Edinburgh	F	20	68	Strasbourg	S	29	84
Frankfurt	S	27	81	Sydney	R	12	54
Geneva	C	27	81	Tehran	S	33	91
Glasgow	F	18	64	Tel Aviv	S	26	79
Helsinki	C	19	66	Tokyo	F	28	82
Hong Kg.	S	31	88	Toronto	H	25	77
Jo'burg	S	19	66	Vienna	S	24	75
London	S	29	84	Warsaw	F	22	72
Luxembrg.	S	27	81	Zurich	F	27	81
Madrid	S	31	88				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	F	27	81	Istanbul	S	26	79
Algiers	S	29	84	Jersey	C	18	64
Biarritz	F	28	82	Las Plms.	S	22	72
Blackpool	F	20	68	Locarno	S	29	84
Bordeaux	S	32	90	Malaga	S	27	81
Boulogne	S	25	77	Malta	F	29	84
Casablnca.	C	20	68	Nairobi	C	20	68
Cape Tn.	S	18	64	Naples	S	30	86
Corfu	S	26	79	Nice	F	27	81
Dubrovnik	T	20	68	Nicosia	F	28	82
Faro	S	29	84	Rhodes	S	29	84
Florence	S	32	90	Salzburg	F	25	77
Gibraltar	S	25	77	Tangier	C	23	73
Guernsey	C	16	61	Tenerife	S	20	68
Innsbruck	C	27	81	Tunis	F	29	84
Inverness	C	18	64	Valencia	S	29	84
Is. of Man	Fg	14	57	Venice	F	28	82

S—Sunny. F—Fair. C—Cloudy. R—Rain. Fg—Fog. T—Thunderstorm. H—Haze.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.

هكذا من الأصل